



# LIMPOPO

**PROVINCIAL GOVERNMENT**  
**REPUBLIC OF SOUTH AFRICA**

**DEPARTMENT OF**  
**SOCIAL DEVELOPMENT**  
**PROVINCE OF LIMPOPO**  
**VOTE NO. 12**  
**ANNUAL REPORT**

**2014/2015 FINANCIAL YEAR**



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## PART A:

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### GENERAL INFORMATION

## **1. DEPARTMENT GENERAL INFORMATION**

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
AGSA	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
BAS	Basic Accounting System
BAUD	Bar Coded Asset Audit
BBBEE	Broad Based Black Economic Empowerment
CAC	Central Audit Committee
CBO	Community based Organization
CHH	Child Headed Household
CCMA	Commission for Conciliation Mediation and Arbitration
CDP	Community Development Practitioner
CFO	Chief Finance Officer
CNDC	Community Nutrition Development Centres
CYCC	Child and Youth Care Centre
DIC	Drop in Centre
DORA	Division of Revenue Act
DSD	Department of Social Development
EBT	Electronic banking transfer
ECD	Early Childhood Development
EPWP	Extended Public Works Programme
EXCO	Executive Committee
EU	European Union

FET	Further Education and Training
GOVT	Government
HCBC	Home Community Based Care
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
HRP	Human Resource Plan
HWSETA	Health and Welfare Sector Education and Training Authority
ICT	Information Communication Technology
IDT	Independent Development Trust
IEC	Information, Education and Communication
LDP	Limpopo Development Plan
MDDA	Media Development Diversity Agency
MDG	Millennium Development Goals
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MPAT	Management Performance Assessment Tool
NACCW	National Association of Child Care Workers
NDA	National Development Agency
NDP	National Development Plan
NGO	Non Governmental Organization
NPO	Non Profit Organization
NQF	National Qualification Framework
OD	Organisational Design

OFA	Organisational Functionality Assessment
OSD	Occupation Specific Dispensation
OVC	Orphans and Vulnerable Children
PERSAL	Personnel Salary
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
SAPS	South African Police Services
SAQA	South African Qualification Authority
SCOPA	Standing Committee on Public Accounts
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations
VEP	Victim Empowerment Programme
WAN	Wide Area Network

### **3. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL**



**Name: Mme Happy Joyce Mashamba**

**Title : Member of the Executive Council**

During the year under review, the Limpopo Department of Social Development once again intensified its efforts to build a caring and self-reliant society by ensuring the provision of comprehensive integrated, sustainable and quality social development services to the vulnerable individuals, households and communities in partnership with relevant stakeholders.

The year under review marked the 60<sup>th</sup> anniversary of the freedom charter and the 21<sup>st</sup> celebration of the democracy and freedom in South Africa. The achievement as contained in this report signifies the extent to which the ANC led government seeks to create an inclusive and a caring society. A remarkable progress in addressing the triple challenges of poverty, unemployment and inequalities has been made in the year under review, though more still needs to be done to broaden the safety net and ensure that the noble goal of the better life for all is eventually realized. The Department was indeed, hard at work during the year under review for the realization of the goals and objectives of transforming our communities as envisioned by the National Development Plan. We will continue to be committed and determined in our quest to protect the vulnerable and the poor particularly children, people with disabilities, women and elderly including the victims of social crime. We shall not be deterred by anything in ensuring that the scourge of violence against women and girls in particular is eradicated.

During the year under review the Department was guided by the following MTSF key Priorities:

- Reforming the social welfare sector.

- Early childhood development provision.
- Deepening social assistance and extending the scope for social security.
- Strengthening community development interventions.
- Establish social protection systems to strengthen coordination, integration, planning, monitoring and evaluation of services.

In the year under review, our Department undoubtedly has registered a relatively satisfying progress in terms of attaining the mandate and key strategic objectives. We shall continue to implement policies and programmes that are aimed at bettering the lives of the people of Limpopo Province. A measurable progress has been done to address challenges relating to transfers to NGOs and CBOs, although some challenges still persist in this area. As we strive towards addressing some of the priorities of government as contained in the government Programme of Action, we have registered a sizable number of crèches as part of the Early Childhood Development. Our poverty alleviation programme that focuses mainly on addressing the plight of women and vulnerable groups is beginning to yield intended results. It is our conviction that, in the long term, the noble idea of establishing a society whose values and norms are strengthened, will be realisable.

Many households continue to suffer from food insecurity, hence the introduction of the Provincial Food Distribution Centres and the Community Nutrition Development Centres which will start to function in the next financial year 2015/16. This was done with the view to address extreme hunger and destitution confronting our communities. The Department will intensify its campaign of distributing food to the needy families and individuals guided by food for all programme.

Despite the challenges that we are encountering, we remain convinced that the noble journey that we are travelling will in the end, deliver the people of Limpopo from the squalor conditions of the abject poverty under which they live. It is common knowledge that due to poverty status and the historical background, majority of women and children are silently suffering from various forms of abuse in their households.

However, in the previous year members of different communities were able to report such incidences and necessary interventions were made. It is incumbent upon members of the community including the relatives, neighbors or friends to report and expose these social ills whenever they manifest themselves.

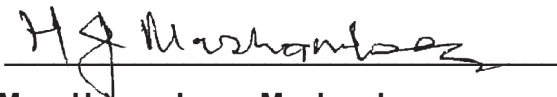
As the Member of Executive Council responsible for Social Development in Limpopo, I am confident that our work during the said period has made an indelible mark in improving the socio-economic conditions of the people of Limpopo. It is my conviction that the forthcoming year will

witness the intensification of the programmes and projects that seek to respond to the immediate needs of poor people.

Facts entailed in this report speak volume about the deliverables and outputs made by the Department during the year under review. The report also shows a vivid picture in terms of the extent to which we have put the Department on the correct path and aligned our activities in a manner that give benefit to the people of Limpopo. As we continue to carry out our mandate, certainly, we shall continue to draw inspiration from the support we have received from our stakeholders. We are determined to ensure that the Department lives up to the expectations of our people.

In conclusion I wish to thank the commitment and dedication showed by the entire workforce for the realisation of the goals and objectives of the Department as outlined in the 5 year Strategic Plan. I also want to acknowledge hard work and professionalism displayed by our employees. It is against this background that I present the 2014/15 annual report.

Together moving Limpopo forward!



**Mme Happy Joyce Mashamba**

**MEC for Social Development**

**Date** 31 05 2015

#### 4. DEPUTY MINISTER STATEMENT

Not applicable

#### 5. REPORT OF THE ACCOUNTING OFFICER



**Name: Mme Daisy Mafubelu**

**Title : Head of Department**

#### Overview of the operations of the Department:

The Department exists mainly to provide social protection and investment through the following five interrelated programmes:

##### Programme 1- Administration Support Services

- The purpose of this programme is to provide political and strategy direction and leadership through provision of overall strategic management and support services.

##### Programme 2- Social Work Services

- The programme provides integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society.

##### Programme 3- Child and Families

- This provides comprehensive child and family care and support services to communities in partnership with stakeholders and civil society.

##### Programme 4- Restorative Services

- The integrated development social crime prevention and anti-substance abuse services to the most vulnerable partnership is provided through this programme.

#### Programme 5- Development and Research

The purpose of this programme is to provide integrated sustainable development services for the empowerment of vulnerable households.

The following key Outcomes that seek to achieve Vision 2030 as outlined in the NDP underpin the work of the Department:

**Outcome 13: An inclusive and responsive social protection services** – through household food and nutrition security as well as strengthening community development initiatives.

**Outcome 2: A long and healthy life for all South Africans** – through reduction in new HIV and AIDS infection levels by promoting social behavioural change.

**Outcome 4: Decent employment through inclusive economic growth** – through increased work opportunities, skills and income levels in the EPWP Social Sector.

**Outcome 7: Comprehensive rural development** – through strengthening community development initiative, community profiling dialogues, and community based planning

**Outcome 1: Quality basic education and development** – through improved Early Childhood Development (ECD) for children aged between 0 – 5 years

**Outcome 3: All people in Limpopo are protected and are and feel safe** – through reduced incidences of gender based violence and substance abuse

Amongst others, the Departmental highlights of events and initiatives in ensuring a socially developed, empowered and self -reliant people of included the following:

- Poverty alleviation Day
- School Uniform: OVC
- Child Protection week
- Dialogues for people with Disabilities
- Winter Warmer Project
- Older Persons events (Golden games and choir competition)

In 2014/15, the Department encountered challenges such as: Early Childhood Development (ECD) centres not complying with norms and standards, limited financial resources to fund VEP centres, lack of rehabilitation practitioners in the facilities for people with disabilities, high cost of accredited training for youth and insufficient capacity to conduct households profiling. Drug abuse and accessing youth between 18 to 34 years, who are our targeted group has been a challenge in the year under review. To address the issue, the Department has planned to collaborate with civil societies, community groups and other government Department in ensuring that the impact of drug abuse amongst our youth is dealt with.

The Department remains challenged in the sharing of premises with the Department of Health. Administrative and management duties are somewhat hampered by this prevailing arrangement. However, there has been notable progress in ensuring that the provincial office of the Department moves to its new premises during the first quarter of the coming financial year. Engagements with all relevant stakeholders in this regard are underway and there is a dedicated task team that has relocation as its primary term of reference. In spite of encountering these challenges, the Department was able to transform the lives of many poor and vulnerable members of the society in the year under review.

The Department registered a significant improvement of four percentage points in Management Performance Tool Assessments (MPAT) version 1.4 (72%) compared to MPAT version 1.3 (68%) and 20 percentage points compared to MPAT version 1.2 (52%). This means that the Department has improved in its administrative and management functions and processes from 2012 (52%) to 2014 (72%) with 20% cumulative increase. This bears testimony to the fact that the Department continues and strive to improve its administrative and overall management processes which will in turn ensure enhanced service delivery for the people of Limpopo.

For the 2015/16 financial year, the Department will intensify fiscal discipline and improve operational efficiency. We will also pursue our mission of providing a comprehensive, integrated, sustainable and quality social development services to the vulnerable individuals, households and communities in partnership with relevant stakeholders including working with civil society. We aim to achieve what is set out in the 2015/2016 Annual Performance Plan (APP) while ensuring that we use the available resources in an effective, efficient, economical and transparent manner in pursuit of a clean audit and service delivery excellence.

Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2014/2015			2013/2014		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sale of goods and services other than capital assets</b>	1 158	1 289	(131)	914	1 186	(272)
<b>Sale of capital assets</b>	500	546	(46)	299	680	(381)
<b>Financial transactions in assets and liabilities</b>	3 524	5 053	(1 529)	1 298	2 013	(715)
<b>Total</b>	<b>5 182</b>	<b>6 888</b>	<b>(1 706)</b>	<b>2 511</b>	<b>3 879</b>	<b>(1 368)</b>

The Department revised revenue budget for 2014/15 financial year is R5 182 million and a collection of R6 888 million or 132% of the adjusted budget by 31 March 2015.

- **Sale of Goods and Services – Non capital assets**

Over collection by R131 000 is as a results of more employees renting at state housing at the districts and One stop Centre

- **Sale of Capital Assets**

Over collection by R46 000 comes from an auction which took place during January 2015

- **Revenue Financial Assets**

Over collection by R1 529 000 is due to more NGOs paying debts from overpayment from previous year expenditure

### Programme Expenditure

Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Administration</b>	270 950	257 913	13 037	297 525	233 442	64 082
<b>Social Welfare services</b>	338 198	332 896	5 302	588 297	605 445	(17 148)
<b>Children and Families</b>	545 659	545 352	307	273 526	260 306	13 220
<b>Restorative Services</b>	162 189	161 383	806	63 126	57 812	5 314
<b>Development and Support Services</b>	157 620	156 234	1 386	158 305	157 996	309
<b>Total</b>	<b>1 474 616</b>	<b>1 453 778</b>	<b>20 838</b>	<b>1 380 779</b>	<b>1 315 001</b>	<b>65 778</b>

- The Department spent 98.6% of its adjusted budget during the 2014/15 financial year compared to 95.2% spent in 2013/14 financial year. Administration programme spent 95.2% of its adjusted budget during 2014/15 financial year compared to 78.5% spent in 2013/14 financial year
- Social Welfare Services programme spent 98.4% of its adjusted budget. The Department implemented the revised budget structure with effect from 1<sup>st</sup> of April 2014 and this programme split into three programmes, Children and Families and Restorative Services. Comparative figures have been reflected though the programmes were three until 2013/14 financial year.
- Restorative Services and Development and Support Services programmes spent 99.5% and 99.1% respectively of their adjusted budget during 2014/15 financial year.

- **Virements/ roll overs**

None

- **Reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.**

The Department incurred fruitless and wasteful expenditure during the course of the financial year amounting to R3 514 485.45 including R3 486 992.60 payment for management of secure care centre due to terms of reference not indicating the minimum

amount to be paid at the centre to recover the overheads incurred by the service provider. In future, the Department will submit terms of reference to Office of State Attorney for legal advice before advertisement of bids on specialised services.

- **Future plans of the Department**

In relation to the future plan, the Department has prioritised the following for the MTSF:

- Reforming the social welfare sector and services to deliver better results.
- Improve the provision of Early Childhood Development. All children should enjoy services and benefits aimed at facilitating access to nutrition, health care, education, social care and safety.
- Deepening social assistance and extending the scope for social security.
- Strengthening community development interventions.
- Establish social protection systems to strengthen coordination, integration, planning, monitoring and evaluation of services.
- Developing a sustainable model of funding social development.
- Provision of network connectivity to remaining Social Development facilities,
- Implement Virtual private network (VPN) and
- Increase utilisation of Social Development Information Systems in the Province through provisioning of network connectivity of sites which are not connected.
- There is a plan to move the Department to new Premises in the 2015/2016 financial year

- **Public Private Partnerships**

None.

- **Discontinued activities / activities to be discontinued**

None

- **New or proposed activities**

The Department had three budget programmes, namely Administration; Social Work Services and Development and Research. Social Work Services split into two more programmes, namely Child and Families and Restorative Services. The revised budget structure came to effect from the 1st of April 2014. Development and Research programme also includes a new sub programme for Women Development.

- **Supply chain management (SCM)**

- The Department has developed and implemented a tool to monitor compliance with internal control measures.
- Provincial Supply Chain Management Policy was approved and implemented.
- All Directors and Shareholders of companies as well as members of close corporations of the recommended companies are being vetted through PERSAL prior to award of

competitive bids and quotations to ensure that bids or quotations are not awarded to restricted companies and officials in public service with business interests without approval.

- Appointed Bid Adjudication Committee members and were capacitated on supply chain management processes. These members are also in the process of being vetted through the State Security Agency

#### **Challenges experienced in SCM and how they were resolved**

- Shortage of staff has been the main challenge especially in SCM both at head office and at the district level, filling of posts in this area has been prioritized in posts advertised and some appointments confirmed to be with effect from the first quarter of the coming financial year.
- The Department uses a MS Excel based Asset Register in the absence of asset module system in Basic Accounting System (BAS). Provincial Treasury rolled out a BAUD electronic asset system which will be used in future.

#### **Gifts and Donations received in kind from non-related parties**

A treadmill costing an amount of R1 500 was donated to Thohoyandou Children's Home in August 2014.

#### **Exemptions and deviations received from the National Treasury**

Treasury Regulations 15.10.1.2 (c) states that for sound cash management purposes, Departments should avoid prepayments for goods or services (i.e. payments in advance of the receipt of the goods or services), unless required by the contractual arrangements with the supplier. National Treasury issued Instruction 04 of 2014/15 on management fees charged by Independent Development Trust (IDT) and the note exempt Departments to make advance payments to IDT where the advance payments are agreed upon and outlined in a written agreement between accounting officer and IDT.

#### **Events after the reporting date**

- On the 20<sup>th</sup> of April 2015, the Department wrote to the service provider appointed to manage the Shiluvana Frail Care Centre directing them to remedy the breach on the noncompliance to the service level agreement.
- On the 24<sup>th</sup> of April 2015, the Department advertised two bids for the management of secure care services at Polokwane Welfare Complex and supply and for delivery of food parcels.
- The Department has made various appointments including senior management posts of General Manager: Integrated Community Development Support Services, Senior Manager: Physical Facilities and District Executive Manager: Mopani District.
- The Department encountered protest from its employees which related to performance incentives.

## Other

There are no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

## Acknowledgement/s or Appreciation

The implementation of the Department's Annual Performance Plan 2014/15 has been possible because of the contribution of various stakeholders. In this regard, I would like to acknowledge among others the following:

- Limpopo office of the Premier
- Portfolio Committee on Social Development
- Cluster 1 Audit Committee
- Limpopo Department of Health
- Limpopo Department of Public Works
- Limpopo Treasury
- National Department of Social Development
- National Development Agency
- South African Social Security Agency
- Non-Governmental Organisations and
- Organized Labour

## Conclusion

I wish to sincerely thank the Honourable MEC, Mme Happy Joyce Mashamba, the first Executive Authority dedicated to our newly reconfigured Department. Her guidance, support and overall contribution to the success of the Department has strengthened service delivery. Appreciation is also extended to the management team and all staff in the Department for their hard work and dedication in ensuring a well-cared for, socially developed, empowered and self-reliant people of the Province.

Approval and sign off



**Mme Daisy Mafubelu**

**Accounting Officer**

**Department of Social Development**

**Date:** 2015-05-31

## 6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2015.

Yours faithfully



**Accounting Officer**

**Name: Mame Daisy Mafubelu**

2015-05-31

**Date:** \_\_\_\_\_

## **7. STRATEGIC OVERVIEW**

### **7.1. Vision**

Well cared for, socially developed, empowered and self-reliant people of Limpopo.

### **7.2. Mission**

By ensuring the provision of comprehensive integrated, sustainable and quality social development services to the vulnerable individuals, households and communities in partnership with relevant stakeholders.

### **7.3. Values**

We adhere to the following values and ethics that uphold the Constitution of the Republic of South Africa through:

- Responsiveness
- Professionalism
- Honesty and Integrity
- Fairness and Equity
- Respect and Dignity
- Efficiency and Effectiveness
- Patriotism
- Openness and Transparency
- Innovation
- Quality

## **8. LEGISLATIVE AND OTHER MANDATES**

The following national legislation and policy documents form the legal and policy framework being implemented within the Department:

- Social Assistance Act (Act no13 of 2004)  
The Social Assistance Act, 1992 provides for the rendering of social assistance to persons, national councils and Social Development Organizations.
- White Paper for Social Welfare (1997)  
Aims to transform social welfare services through developmental approach

- Social Service Professions Act, 1978 (Act no. 110 of 1978)  
Promotes and regulates the practice of social service practitioners for social service professions.
- Child Care Act, 1983 (Act No. 74 of 1983)  
Provides the framework for the care of vulnerable children.
- Probation Services Act, 1991 (Act no.116 of 1991)  
Provides for the transformation of the child and youth care system.
- Domestic Violence Act (Act no. 61 of 2003)  
Provides for the protection of the victims of domestic violence and the vulnerable members of the society.
- The Child Justice Act ( Act no. 75 of 2008)  
Provides the framework for dealing with children in conflict with the law.
- Prevention of and treatment for substance abuse Act (Act no.70 of 2008)  
Provides for a comprehensive national response for the combating of substance abuse.
- Older persons Act (Act no.13 of 2006.)  
Provides a framework for the empowerment and protection of older persons.
- Advisory Board on Social Development Act, 2001 (Act no. 3 of 2001)  
Provides for a national advisory structure in the social development sector.
- Non-Profit Organisations Act, 1997  
This Act repealed the Fund-Raising Act, 1997, excluding the chapter that deals with relief funds, and provided for an environment in which non-profit organisations can flourish. The Act also established an administrative and regulatory framework within which non-profit organisations can conduct their affairs. The process of amending the act is underway and will be concluded in 2015/16 financial year.
- Children's Amendment Act No. 38 of 2005  
Provides the framework for the care and protection of children.

- Sexual Offences Related Matters Amendment Act no 32 of 2007  
Provides for the regulation of sexual offences against vulnerable groups.

### **Policy mandates**

- National Development Plan  
Chapter 11 of the NDP requires that the Department of Social Development should spearhead the Social Protection to make sure there is alignment and coordination of Social protection issues including addressing the challenges of eradicating poverty and reducing inequality.
- Medium Term Strategic Framework  
It identifies the development challenges that government has to confront in the next five years. It serves as a backdrop to guide planning and budgeting across the three spheres of government.
- National guideline on Victim Empowerment  
It provides a framework for sound inter-departmental and inter-sectoral collaboration and for the integration of effective institutional arrangements for a multi-pronged approach in managing victim empowerment.
- Limpopo Development Plan  
It is the overarching development strategy for Limpopo province for the next five years. It seeks to reduce poverty, unemployment and inequality through sustainable economic development, social development and transformation.
- White Paper for Social Welfare (1997)  
The White Paper sets out the principles, guidelines, proposed policies and programmes for developmental social welfare in South Africa. As the primary policy document, the White Paper serves as the foundation for social welfare in the post-1994 era.
- Integrated National Disability Strategy  
It provides for an integration of disability issues in all government development strategies, planning and programmes.
- Disability Policy 2006  
It recognizes that Persons with Disabilities are valuable human resources for the country and seeks to create an environment that provides them with equal opportunities, protection of their rights and full participation in society.
- Relevant Conventions and Agreements  
This refers to relevant and applicable Conventions and Agreements concluded relating to social development.

- **Population Policy 1998**

It examines the current state and likely future directions of population policy in South Africa with particular reference to family planning activities set against the background of past and its response to the changing socio-political situations in the country.

- **National Crime Prevention Strategy**

It provides the need to follow developmental approach and inter-sectoral collaboration towards combating and addressing crime.

- **Minimum Standards for Residential Facilities on People with Disabilities**

They serve as a guide to individuals and families as to what they can reasonably expect of a residential service. They have been developed for the purposes of the registration and inspection of residential services for people with disabilities.

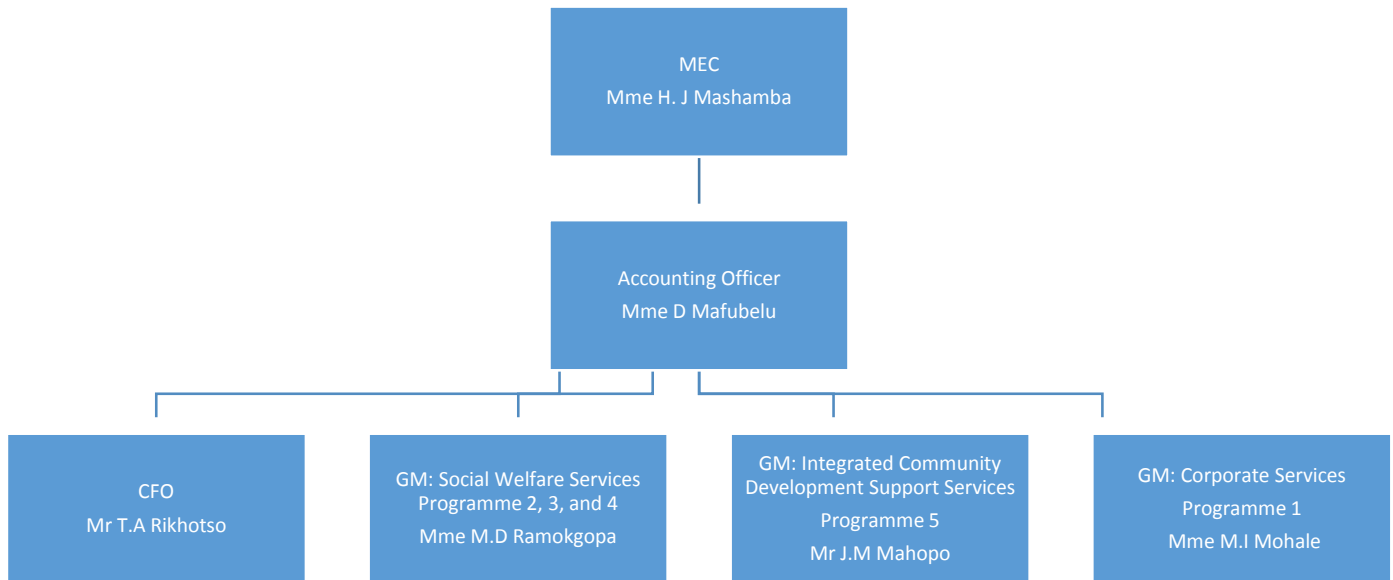
- **National drug master plan**

It guides and monitors the actions of government Departments to reduce the demand for and supply of drugs and the harm associated with their use and abuse.

- **Policy Framework on Orphaned and Vulnerable Children**

It provides for a common agenda for mounting an effective response towards addressing the challenges posed by the HIV and AIDS epidemic. It outlines key actions that must be taken urgently, including the prioritization of support for orphans, vulnerable children and their families in the national policies, actions and plans.

## 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MEC

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
N/A	N/A	N/A	N/A

## **PART B:**

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# **PERFORMANCE INFORMATION**

## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-general South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section on the auditor's report.

Refer to page 172 of the Report of the Auditors-general, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

As at the last quarter of the financial year, the Department has registered 54.5% (12 of 22) of women in senior management positions. In terms of compliance in this area, the Department is progressing well in compliance with Employment Equity Act. In relation to the employment of people with disabilities, the Department is at 1.3% (44 out of 3330). The Department is 0.7% short of the planned target (2%), but plans have been developed to address the challenge. The Department, through the National Social Development is currently working on the development of the Service Delivery Model. The model seeks to bring a strategic realignment of the new Departmental mandates towards the alignment of the priorities and the goals as reflected within the NDP.

As part of creating an inclusive and responsive Social Protection System, the Department managed to facilitate the household food and Nutrition Security and community based planning. A reduction in new HIV and AIDS infections levels through social behavioural change has also been registered in the year under review.

The Department participated in the Management Performance Assessment Tool (MPAT) since its inception in 2011. The programme is embarked on an annual basis and the results are published at the beginning of each financial year. Over the past years results revealed enormous improvements that could be stated as follows:

- **Strategic Management:** Continued retention of level three (3) performance with an improved performance in Monitoring and Evaluation from level two (2) to three (3).
- **Governance and Accountability:** Consistent improvement from level three (3) to four (4) in the areas of Management structures, Audit committees, Fraud prevention and internal audit. Corporate Governance of ICT remains an area of great challenge and that is in part attributable to under resourcing of the directorate.

- **Human Resource Management:** Results have shown that the Department employs the Human Resource Management and Development Plans (HRP and HRD Plan). HRP improved from level one (1) to level four(4) while with HRD Plan improvement moved through level two (2), three(3) and ultimately level four (4) in the year under review. There is however a need for improved performance in Organizational Design (OD) that sustained level three (3) performance and sustained level one (1) performance in areas of diversity management as well as disciplinary cases since 2012.
- **Financial Management: Demand and Acquisition** enjoyed an escalation from level two (2) through to three (3) while good performance is shown in areas of Acquisition management and Payroll certification that are currently at level four (4). Areas of serious concern relate to delegations and Un-authorised expenditure which remain at level one (1).

## 2.1. Service Delivery Environment

The mandate of the Department is to deliver Social welfare and developmental services to the poor and vulnerable households. The majority of the Departmental service is towards the protection of children and their wellbeing. This includes amongst others Foster care placements, ISIBINDI, Drop in Centres, access to ECD's, and Psycho-social support services.

Almost 90% of the services of the Department are delivered through NPO's. The Department is registering great progress in terms of services to older persons and 263 service centres are in operation throughout the province. Although, the Department has in terms of social welfare services made significant achievements, there are however challenges with regard to the management of services rendered by NPO's. Some of the challenges are around governance, financial management and record keeping. However the Department has developed some intervention programmes to address the challenges identified and one of the initiatives to address the challenges was the appointment of NDA to provide capacity building to NPO'S.

With regard to Community Development services, the Department has been growing exponentially in the implementation of Food Security services. The Provincial Food Distribution Centre has been established with the aim of becoming a provincial hub of food management and distribution to poor and vulnerable households in the province. Twelve (12) CNDC's were established to provide fresh cooked meals for needy families and households. This is in line with the national strategy to ensure that food shortage is addressed. The initiative also has the capacity to generate employment for needy households in the province.

The impact of HIV and AIDS is still a challenge to the Department as there is a growing number of orphans and vulnerable children who need dedicated care and support from the Department, NPOs and NGOs. During the 2014/15 financial year, 24 585 people were reached through social and behaviour change programmes while 135 community conversations on HIV and AIDS were held.

A large number of the population depends on social grants and other social welfare services. Through Child care and protection services, the Department has been able to place 3 613 children in foster care during the 2014/15 financial year. This is less than the targeted 5 500 placement attributed to the delays in processing form 30 (vetting form) results by the National Department of Social Development. The Department is faced with a challenge of unaccompanied children mostly from Zimbabwe who loiter in towns. Most of the children are accommodated in shelters managed by NPOs which do not have enough resources to cater for their needs. There is a need to develop a coordinated plan with all stakeholders to make sure that all the affected children are taken care of.

During the 2014/15 financial year, 82 539 children received services with Departmental funding through the funded ECD programme. An additional 154 637 children had access to ECD services mainly due to the intensification of ECD campaigns run by the Department. The Older Persons Act requires provision of care, support and protection to older persons. There are programmes implemented in this respect to improve the livelihood and protection of older persons. During the 2014/15 financial year, 15 564 older persons received community-based care and support services while 620 older people's accessed funded residential facilities. The Department provides integrated services to people with disabilities. During the 2014/15 financial year, 3 339 persons with disabilities received services from protective workshops funded by the Department. There is a need to increase the number and capacity of community service centres and community based rehabilitation centres, to expand services to older persons and people with disabilities.

The Department provides funding to Non Profit Organisations which render different services to vulnerable groups. Poverty alleviation projects and sustainable livelihood interventions are supported to improve the socio-economic status of vulnerable households in communities. During the 2014/15 financial year the Department profiled 38 438 households in poverty pockets while 2092 poor households were supported towards sustainable livelihood. Efforts are also made to capacitate structures on governance, while NPOs are capacitated on financial management and accountability.

Services to the youth still need to be strengthened through the Expanded Public Works Programme (EPWP). During the 2014/15 financial year, 6 533 youth participated in youth

mobilisation programmes. The programmes provide skills for youth to act as change agents to enhance household and community development. Efforts are being made to facilitate the establishment of youth NPOs to improve the provision of youth development services.

The Department conducts research aimed at addressing major population concerns. During the 2014/2015 financial year, a study on substance abuse amongst the youth was conducted, and localised demographic profiling as part of the Department's efforts to respond to the contextual development challenges faced by the province.

### **Significant developments that have impacted on the demand for the Department's services**

The collaboration between the Department and other Sector Departments was significant in driving community development programmes as well as enhancing progress registered in social welfare services.

## **2.2. Service Delivery Improvement Plan**

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

### **Main services and standards**

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Community Development in relation to capacitating youth on vocational skills	Unemployed and out of school youth between the ages 18-35 years from profiled vulnerable households in Limpopo province	200 youth to be capacitated on vocational skills	500 youth to be capacitated on vocational skills	198 youth capacitated on vocational skills
To ensure access of Early Childhood Development	Children 0 – 5 years in	150000 children accessing the registered Early	150000 children accessing the registered Early	154 637

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Programme to children 0 – 5 years	Limpopo province	Childhood Development Programme (through centre based and non-centres based programmes)	Childhood Development Programme (through centre based and non-centres based programmes)	

**Batho Pele arrangements with beneficiaries (Consultation access etc.)**

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Consultation in relation to Early Childhood Development Programme for children between 0 – 5 years.</p> <p>Capacity building of all ECD Stakeholders (ECD Centers, Government Departments, and NGOs) on ECD services on a quarterly basis.</p> <p>Quarterly Provincial and District ECD Forum meetings for integration and coordination of ECD services</p>	<p>Consultation in relation to Early Childhood Development Programme for children between 0 – 5 years:</p> <p>Capacity building of all ECD Stakeholders (ECD Centers, Government Departments, and NGOs) on ECD services on a quarterly basis.</p> <p>Quarterly Provincial and District ECD Forum meetings for integration and coordination of ECD services</p> <p>Radio slots to market the ECD services on a quarterly basis</p>	<p>Consultation in relation to Early Childhood Development Programme for children between 0 – 5 years ECD: Capacity building of ECD Stakeholders (ECD Centers, Government Departments, NGOs) on ECD services was conducted quarterly.</p> <p>Quarterly Provincial and District ECD Forum meetings for integration and coordination of ECD services were held</p>
<p>Consultation in relation to youth capacity building on vocational skills: Consult tribal authorities, local municipalities through stakeholder meeting.</p>	<p>Consultation in relation to youth capacity building on vocational skills Consult tribal authorities, local municipalities through stakeholder meeting and ensure that youth structures participate, conduct youth dialogues</p>	<p>Consultation in relation to youth capacity building on vocational skills Meetings were held at tribal authorities, local municipalities with stakeholders</p>

Current/actual arrangements	Desired arrangements	Actual achievements
	through youth structures, households profiling	
Openness & Transparency in relation to Early Childhood Development Programme for children 0-5 years: Disseminate information through community meetings, workshops and trainings, Departmental summits and use of citizen's report.	Openness & Transparency in relation to Early Childhood Development Programme for children 0-5 years: Encourage use of suggestion boxes, compliments and complaints registers, strengthen the distribution and use of citizen's report.	Openness & Transparency in relation to Early Childhood Development Programme for children 0-5 years: Information disseminated through community meetings, workshops and trainings held, and use of citizen's report.
Minutes of the Provincial and District ECD Forums are disseminated to all stakeholders. Posters, pamphlets and any information relating to ECD services will be sent to all ECD structures.	Minutes of the Provincial and District ECD Forums will be disseminated to all stakeholders. Posters, pamphlets and any information relating to ECD services will be sent to all ECD structures.	Minutes of the Provincial and District ECD Forums were disseminated to all stakeholders. Posters and pamphlets information relating to ECD services were sent to all ECD structures.
Openness & Transparency in relation to capacitating youth on vocational skills, All issues relating to the programme are addressed during orientation when intake is done. There are monthly and quarterly meetings with students to allow them to raise issues.	Openness & Transparency in relation to capacitating youth on vocational skills. There are monthly and quarterly meetings with students to allow them to raise issues. Encourage use of suggestion boxes and complaints management system.	Openness & Transparency in relation to capacitating youth on vocational skills. All issues relating to the programme were addressed during orientation when intake was done. There were monthly and quarterly meetings with students to allow them to raise issues

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Information in relation to youth capacity building on vocational skills is disseminated during orientation, monthly and quarterly meetings with stakeholders.	Information in relation to youth capacity building on vocational skills is disseminated during orientation, monthly and quarterly meetings with stakeholders. Use of short message services and radio to give information about the programme. During households profiling officials will be informing youths about the programme.	Information in relation to youth capacity building on vocational skills was disseminated during orientation, monthly and quarterly meetings with stakeholders. During households profiling, officials informed youth about the programme.
Information in relation to Early Childhood Development Programme for children 0-5 years is disseminated through monthly and quarterly meetings	Information in relation to Early Childhood Development Programme for children 0-5 years is disseminated through monthly and quarterly meetings	Information in relation to Early Childhood Development Programme for children 0-5 years was disseminated through monthly and quarterly meetings

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Suggestion boxes mounted in service points	100% complaints resolved within 25 working days of being received from suggestion boxes.	No complaints received from mounted suggestion boxes regarding capacity building for youth on vocational skills.
Verbal apology for failing to meet youth expectations.	100% complaints resolved within 25 working days of being received.	No complaints received regarding capacity building for youth on vocational skills

Current/actual mechanism	complaints	Desired mechanism	complaints	Actual achievements
Verbal apology for failing to honour workshops, trainings and meetings.		100% complaints resolved within 25 working days of being received from suggestion boxes.		No complaints received from mounted suggestion boxes regarding ECD programme.

### 2.3. Organisational environment

On the 21st May 2014, the Premier appointed an Executive Authority for the Department. This ushered in a new era wherein the Department of Social Development has its own dedicated MEC. Moreover, there was a subsequent proposal on the organisational structure to create the Office of the MEC which also received the Concurrence Letter from the Minister of Public Service and Administration for approval.

As part of business re-engineering, the Department embarked on an Organisational Functionality Assessment (OFA) with the aim of assessing the functional capability of the Department in relation to its mandate. This will also address the existing policy gaps, systems and processes.

The Department continues to collaborate with different role players in overcoming the triple challenges of poverty, unemployment and inequalities. The Department, through the National Department of Social Development is providing bursaries to needy students as an intervention towards addressing the shortage of social workers.

The Department continues to share the building with the Department of Health. This impacts negatively on the smooth running of operations such as IT infrastructure, security, telephones, municipal services, and other key functions.

Under-funding of the Department is a cause for concern and has far reaching implications in terms of provision of quality services to communities. This has also affected the filling of vacant posts. As a result, the Department was unable to appoint social service professionals in the year under review.

The capacity of NPO's to utilise funds appropriated to them remains a key challenge. This is coupled with challenges in overall financial management, records keeping and governance.

Important to note, is that the Department was able to provide network cabling, connectivity to six (6) Social Development facilities and Corporate Governance of ICT charter and policy

was approved. The challenges experienced in GITO include inadequate network connectivity at Sub-Offices in the Districts and lack of Information Technology (IT) human resources.

Strategies put in place to address the abovementioned challenges are prioritisation of filling of IT Officers posts, deployment of low cost Wide-Area-Network (WAN) links at Sub-Offices and development of a more comprehensive ICT Strategic Plan.

#### **2.4. Key policy developments and legislative changes**

There are no key policy and new legislative changes.

### **3. STRATEGIC OUTCOME ORIENTED GOALS**

In 2014/15 the Department's medium-term strategic goals were focused on the following:

- Reduce income poverty by providing social assistance to eligible individuals.
- Increase household food and nutrition security.
- Improve service delivery by standardising social welfare services.
- Prevent new HIV infections, address the structural and social drivers of HIV and tuberculosis, and mitigate the impact of those diseases.
- Create an enabling and conducive environment within which NPOs can operate.
- Improve the quality of and access to ECD services.
- Strengthen child protection services through the implementation of child care and protection measures.
- Reduce the demand for illegal and addictive substances within communities
- Facilitate social change and sustainable development, targeting youths and adults in their communities.
- Create an enabling environment for the protection and promotion of older persons' rights.
- Strengthen families by providing comprehensive social services.
- Promote and protect the rights of people with disabilities.

### **4. PERFORMANCE INFORMATION BY PROGRAMME**

#### **4.1. Programme 1: ADMINISTRATION**

The purpose of this programme is to provide political and strategy direction and leadership through provision of overall strategic management and support services.

- Sub programme 1.1 : Office of MEC
- Sub programme 1.2 : Corporate Management Services
- Sub programme 1.3 : District Management

Strategic Objectives:

- Provide human resource management and development.
- Provide capital planning, development and maintenance of infrastructure.
- Provide efficient and effective supply chain system.
- Provide risk management services.

Programme Name : Administration					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Provide human resource management and development	New indicator	316	296	-20	Some of the Social Service Professionals targeted as bursary holders left for greener pastures while others were not sufficiently competent and could therefore not graduate as expected.
	48% (10 of 21)	50% (12 of 24)	54.5% (12 of 22)	+4.5%	The resignation of one male SMS member resulted in female SMS members being over represented
	1.2% (36 of 2940)	2%(60 of 2970)	1.3% (44 of 3330)	-0.7%	Posts advertised in the financial year were only filled during 2015/2016.  Majority of appointment were done through

Programme Name : Administration					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					absorption of bursary holders who did not have people with disabilities.
Provide capital planning, development and maintenance of infrastructure	6	4	2	-2	Delays by Contractors (Treatment Centre) & one Contractor never took site (Vukuzenzele) Cancellation of contract finalized in January 2015 and new tender advertised and appointment letter issued in April 2015.
	9	6	4	-2	
	30	50	56	+6	Public Works assisted with the development of specifications.
	100%	100%	100% (12 of 12)	None	None
	100%	100%	99,9% (20359 of 20364	-5	Change of bank details by service providers without

Programme Name : Administration					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					informing the Department.  Incorrect invoice date captured instead of invoice receipt date
Provide efficient and effective supply chain system	100%	100% (12 of 12)	100%	None	None
	100%	100%	100%	None	None
Provide risk management	82%	100% (11 of 11)	100%	None	None

#### Performance indicators

Programme / Sub-programme: ADMINISTRATION					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Corporate Management Services</b>					
Number of Social Service Professionals appointed	New indicator	316	296	-20	Some of the Social Service Professionals targeted as bursary holders left for greener pastures while others were

Programme / Sub-programme: ADMINISTRATION					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					declared incompetent and could therefore not graduate as expected.
Percentage of women in SMS positions(Level 13-16)	48% (10 of 21)	50% (12 of 24)	54.5% (12 of 22)	+4.5%	Over achievement of female SMS is as a result of one male SMS having left the Department.
Percentage of people with disabilities employed	1.2% (36 of 2940)	2%(60 of 2970)	1.3% (44 of 3330)	-0.7%	Posts advertised in the financial year were only filled during 2015/2016.  Majority of appointment were done through absorption of bursary holders who did not have people with disabilities.
Percentage of Presidential Hotline complaints resolved within 25 working days	New indicator	100%	100%	None	None

Programme / Sub-programme: ADMINISTRATION					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-programme: financial management services</b>					
Number of facilities under construction	6	6	2	-4	Delays by Contractors (Treatment Centre)
Number of facilities completed	0	6	4	-2	& one Contractor never took site (Vukuzenzele) Cancellation of contract finalized in January 2015 and new tender advertised and appointment letter issued in April 2015.
Number of facilities to be maintained	30	50	56	+6	Public Works assisted with the development of specifications.
Percentage reconciliation of asset register and ledger on additions	100%	100% (12 of 12 )	100% (12 of 12)	None	None
Percentage of invoices paid within 30 days	100%	100%	99,9% (20359 of 20364)	-5	Change of bank details by service providers without informing the Department.

Programme / Sub-programme: ADMINISTRATION					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					Incorrect invoice date captured instead of invoice receipt date
<b>Risk Management Services</b>					
Percentage implementation of Risk management plan	82%	100% (11 of 11)	100% (11 of 11)	None	None

### Strategy to overcome areas of under performance

#### **Number of Social Service Professionals appointed**

- Engage the National Department of Social Development to source additional funding to appoint bursary holders as they complete studies.

#### **Percentage of people with disabilities employed**

- Prioritize appointment of people with disabilities who meet requirements.
- Conduct career exhibitions at special schools to encourage learners consider social service profession as career of choice.

#### **Number of facilities under construction and Number of facilities completed**

- Arrangement of cessions where there are non-payment disputes by main contractor to sub-contractors.
- Regular monitoring on contractors and implementing agent (IDT).
- Review of service delivery agreement signed with IDT on advance payments.

### **Percentage of invoices paid within 30 days**

- Request for new invoice after payment was rejected due to changes in bank details.
- Corrective action has been taken against negligent officials.

### **Changes to planned targets**

#### **Programme 1: Administration**

The final APP 2014/15 was restructured to align with the new budget structure which became effective from 1 April 2014. Following the budget structure changes the Department has aligned the strategic objective targets with the MTEF and APP.

All compliance related indicators have been removed from the APP with the view that operational plans will cover them. These include:

- Availability of approved Annual Performance Plan.
- Number of Departmental policies aligned to the framework.
- Number of facilities meeting minimum requirements in terms of National Archives and Records service Act.
- Percentage implementation of communication plan.
- Percentage implementation Monitoring and Evaluation Framework key elements.
- The indicator is aligned as follows: Risk Management Plan 10 of 10 instead of 11 of 11.

### **Linking performance with budgets**

The programme spent 95.2% of its adjusted budget during the 2014/15 financial year compared to 78.5% spent in 2013/14 financial year. Departments of Health and Social Development had one Executive Authority and Department of Health used to budget for statutory appropriation for Office of the MEC until the reconfiguration of provincial administration in May 2014.

Corporate Management sub-programme is used for allocation of budget at the provincial level for support to the core programmes. The over spending of R525 million under this sub-programme is due to payment for shared services to Department of Health, payment for leave gratuities and extension of time payment on infrastructure projects. The Department could not complete all planned infrastructure projects, four of six projects have attained practical completion stage.

District Management sub-programme spent 90% of its adjusted budget during 2014/15 financial year compared to 99.2% in 2013/14 financial year.

**Sub-programme expenditure**

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of MEC	4 225	4 106	119	-	-	-
Corporate Management	129 184	129 709	(525)	176 559	112 492	64 067
District Management	137 541	124 098	13 443	120 966	120 951	15
<b>Total</b>	<b>270 950</b>	<b>257 913</b>	<b>2 188</b>	<b>297 525</b>	<b>233 443</b>	<b>64 082</b>

**4.2. Programme 2: SOCIAL WELFARE SERVICES**

The programme provides integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations through the following sub- programmes.

- Sub programme 2.1 : Management and Support
- Sub programme 2.2 : Services to Older Persons
- Sub programme 2.3: Services to the Persons with Disabilities
- Sub programme 2.4 : HIV and AIDS
- Sub programme 25 : Social Relief

Strategic objectives:

- To provide protection, care and support services within communities and institutions to 16 613 Older persons by 2016/17.
- To provide protection care and support services to 5 000 persons with disabilities by 2016/17.
- Reduce the psycho-social impact of HIV and AIDS from 98 301 to 379 183 individuals and families infected and affected by HIV and AIDS by 2016/17.
- Provide temporary relief to 46 790 people in distress by 2016/17.

Programme Name : Social Welfare Services					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To provide protection, care and support services within communities and institutions to 16 613 Older persons by 2016/17	13 476	15 613	16 184	+571	New service centres established and that increased the targeted number
To provide protection care and support services to 5 000 persons with disabilities by 2016/17	1 807	3794	3633	-161	People with disabilities are unable to reach the existing sites in Municipalities as they are far and they are unable to afford to pay for daily transport protective workshops still affect most people with disabilities

Programme Name : Social Welfare Services					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Reduce the psycho-social impact of HIV and AIDS from 98 301 to 379 183 individuals and families infected and affected by HIV and AIDS by 2016/17	22 386	27 000	43 145	+16 145	The training offered to Home Community Care Based Centres (HCBC) and Drop in Centres carers on guidelines on psychosocial support resulted in reaching more beneficiaries due to the understanding on how to implement the programme
Provide temporary relief to 46 790 people in distress by 2016/17	4 617	6 650	6965	+315	Number increased due to disaster incidents and SASSA Zero Hunger Project.

### Performance indicators

Programme / Sub-programme: Social Welfare Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Care and Support Services to Older Persons</b>					
Number of older persons accessing funded residential facilities	612	613	620	+7	New admissions that were not targeted in one of the Old age home resulted in over achievement
Number of older persons accessing community based care and support services	13 476	15 000	16 543	+1543	New service centres were established and that increased the targeted number
<b>Sub-Programme: Service to Persons with Disabilities</b>					
Number of persons with disabilities in funded residential facilities	294	294	294	None	None

Programme / Sub-programme: Social Welfare Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Service to Persons with Disabilities</b>					
Number of persons with disabilities accessing services in funded protective workshops	1 807	3 500	3339	-161	People with disabilities are unable to reach the existing sites in Municipalities as they are far and they are unable to afford to pay for daily transport
<b>Sub-Programme: Non - institutional HIV and AIDS</b>					
Number of beneficiaries receiving psychosocial support services	New indicator	7000	18 560	+11 560	The training offered to Home Community Based Carers (HCBC) and Drop in Centres (DIC) carers on guidelines on psychosocial support resulted in reaching more beneficiaries due to an increased understanding on how to implement the programme
Number of organizations trained on social and behaviour	New indicator	35	63	+28	Additional organizations that were not targeted availed themselves for training

Programme / Sub-programme: Social Welfare Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
change programmes					

Programme / Sub-programme: Social Welfare Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Non - institutional HIV and AIDS</b>					
Number of people reached through social and behaviour change programmes	22 386	20 000	24 585	+4585	The number increased due to Social Behavioural change training conducted to Social Workers and NPOs as upon completion, they were able to practice what they learned in different communities.
Number of community conversations on HIV and AIDS response conducted	New indicator	125	135	+10	Additional communities were included due to Ministerial visits to the communities.

Programme / Sub-programme: Social Welfare Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Social Relief of Distress</b>					
Number of beneficiaries who benefited from social relief of distress programs	4 617	6 650	6965	+315	Number increased due to disaster incidents and SASSA Zero Hunger Project.

#### **Strategy to overcome areas of under performance**

##### **Number of persons with disabilities accessing services in funded protective workshops**

- Existing Organisations will be strengthened to provide outreach programmes to areas without protective workshops.
- Additional sites will be funded to increase the number of people accessing the services

#### **Changes to planned targets**

There was alignment of the target on the MTEF in respect of sub-programme 2.3: Services to persons with Disabilities. The target captured is “3 800” instead of 3 500.

The indicator in question is “number of persons with disabilities accessing services in funded protective workshops”.

- Number of beneficiaries receiving psychosocial support services.
- Number of people reached through social and behaviour change programmes.
- Number of beneficiaries who benefited from social relief of distress programs
- Number of beneficiaries receiving psychosocial support services.
- Number of organizations trained on social and behaviour change programmes.
- Number of people reached through social and behaviour change programmes.

### **Linking performance with budgets**

The programme spent 98,4% of its adjusted budget during the 2014/15 financial year. The Department had only three programmes until 01<sup>st</sup> April 2015 when this programme split into three programmes. The comparative analysis only took sub-programmes which remained in this programme which makes the programme expenditure exceeds the budget.

### **Sub-programme expenditure**

	<b>2014/2015</b>			<b>2013/2014</b>		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Management and Support</b>	158 908	162 042	(3 134)	397 003	422 466	(25 463)
<b>Services to Older Persons</b>	39 134	39 115	(19)	39 549	32 692	6 857
<b>Services to the Person with Disabilities</b>	40 272	39 717	(555)	39 609	38 996	613
<b>HIV and AIDS</b>	99 015	91 519	7 496	111 711	110 868	843
<b>Social Relief</b>	869	503	366	425	422	3
<b>Total</b>	<b>338 198</b>	<b>332 896</b>	<b>5302</b>	<b>588 297</b>	<b>605 444</b>	<b>(17 147)</b>

### **4.3. PROGRAMME 3: CHILD & FAMILY SERVICES**

This provides comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations through the following sub programmes.

Sub programme 3.1: Management and Support

Sub programme 3.2: Care and Support Services to Families

Sub programme 3.3: Child Care and Protection Services

Sub programme 3.4: ECD and Partial Care

Sub programme 3.5: Child and Youth Care Centres

Sub programme 3 6: Community-Based Care Services for Children

## Strategic objectives

- Provide integrated services to 147 462 families by 2016/17.
- To provide care and protection to 55 708 children in need of care by 2016/17.
- To increase the number of children 0-5 years accessing ECD programmes and partial care to 230 000 by 2016/17.
- To provide care and protection to 55 708 children in need of care by 2016/17.
- Provide care and support to orphans and vulnerable children from 98 301 to 379 183 by 2016/17.

Programme Name: Child & Family Services					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Provide integrated services to 147 462 families by 2016/17	29 464	32 500	36 967	+4467	The number increased as most families responded positively to the programme as it empowers them to improve family relationships.
To provide care and protection to 55 708 children in need of care by 2016/17	44 547	52 500	55 923	+3423	The training offered to HCBC and DIC carers on guidelines on psychosocial support resulted in reaching more beneficiaries due to the understanding on how to implement the programme.
To increase the number of children 0-5 years accessing ECD programmes	132 536	150 800	154 774	+3974	The number of children increased due to the new ECD sites that were registered during the financial year.

Programme Name: Child & Family Services					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
and partial care to 230 000 by 2016/17					
To provide care and protection to 55 708 children in need of care by 2016/17	988	1200	1017	+183	The target number could not be reached as most children in need of care were placed in less restrictive environment (e.g foster care) and and others reunited with families.
Provide care and support to orphans and vulnerable children from 98 301 to 379 183 by 2016/17	New indicator	50 000	51 260	+1260	The number increased as some children are attracted to the after care services in Drop in Centres as most communities do not have recreational facilities.

## Performance indicators

<b>Programme / Sub-programme: Child &amp; Family Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2013/2014</b>	<b>Planned Target 2014/2015</b>	<b>Actual Achievement 2014/2015</b>	<b>Deviation from planned target to Actual Achievement for 2014/2015</b>	<b>Comment on deviations</b>
<b>Sub-Programme: Care and Services to families</b>					
Number of families participating in family preservation programmes	29 464	27 000	36 967	+9967	The number increased as most families responded positively to the programme as it empowers them to improve family relationships.
Number of family members reunited with their families	493	500	621	+121	Additional clients were found ready to be reunited following the provision of reconstruction services.
Number of families participating in the parenting programme	5 723	5 000	11 030	+6 030	The number increased due to the foster care parents participating in parenting programme during the review of placement of children.

Programme / Sub-programme: Child & Family Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub programme: Child Care and Protection</b>					
Number of orphans and vulnerable children receiving psychosocial services	44 547	47 000	51 421	+4421	The training offered to HCBC and Drop in centre carers on guidelines on psychosocial support resulted in reaching more beneficiaries due to the understanding on how to implement the programme.
Number of children placed in foster care	5 671	5 500	3613	-1887	Development delayed to process the screening/ vetting form (form 30) in the screening of prospective foster parents to check their suitability.
<b>Sub-Programme: ECD and Partial Care</b>					
Number of registered ECD sites	2 616	2 800	2815	+15	More facilities complying with requirements for registration.

Programme / Sub-programme: Child & Family Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Number of children between 0-5 years accessing registered Early Childhood Development programmes	132 536	150 000	154 637	+4 637	The number of children increased due to the new ECD sites that were registered during the financial year.
Programme / Sub-programme: Child & Family Services					
Sub-Programme: ECD and Partial Care					
Number of registered partial care sites (Excluding ECD)	New indicator	24	26	+2	Additional sites that were not targeted complied with registration requirements.
Number of children accessing registered partial care sites (Excluding ECD)	New indicator	800	1139	+339	The ECD registration drive made parents to understand the importance of stimulation programme which resulted in additional children being admitted.

Programme / Sub-programme: Child & Family Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Child and Youth Care Centres</b>					
Number of children in need of care and protection placed in funded Child and Youth Care Centres	988	1 200	1017	-183	The target number could not be reached as most children in need of care were placed in less restrictive environment (e.g foster care) and others reunited with families.
<b>Sub-Programme: Community-Based Care Services for Children</b>					
Number of children accessing Drop-in Centres	New indicator	38 000	42 966	+4 866	The number increased as some children are attracted to the after care services in Drop in centres as most communities does not have recreational facilities

Programme / Sub-programme: Child & Family Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Community-Based Care Services for Children</b>					
Number of CYCW trainees who received training through ISIBINDI model	307	400	404	+4	Additional four Child & Youth Care Workers adopted from NACCW which started to operate before the commencement of the project in the Province.
Number of children accessing services through the ISIBINDI model	New indicator	12 000	8 294	-3 706	The process of identifying additional children took long due to delay in recruitment of other Child & Youth care workers.

### Strategy to overcome areas of under performance

#### **Number of children placed in foster care**

Centralisation of submission of form 30 forms to National DSD to make sure all the responses are monitored centrally.

#### **Number of children in need of care and protection placed in funded Child and Youth Care Centres**

The child protection awareness programmes in different municipalities will encourage the communities to report cases of children that need care and protection services.

### Number of children accessing services through the ISIBINDI model

Service providers will provide transport budget to Child & Youth care workers to access more areas within communities.

The training of new recruits should start early to ensure that children are allocated to them for interventions after six months.

### Changes to planned targets

- Number of beneficiaries receiving psychosocial support services.
- Number of organizations trained on social and behavior change programmes.
- Number of people reached through social and behavior change programmes.

### Linking performance with budgets

The programme spent 99,9% of its adjusted budget during the 2014/15 financial year. The Department had only three programmes until 01<sup>st</sup> April 2015 when this programme split into three programmes. The comparative analysis only took sub-programmes which remained in this programme which makes the programme expenditure exceeds the budget.

### Sub-programme expenditure

	2014/2015			2013/2014		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management and Support	219 106	220 911	(1 805)	-	-	-
Care and Support Services to Families	14 930	14 649	281	13 134	10 576	2 558
Child Care and Protection Services	7 315	6 923	392	260 392	249 729	10 663

	2014/2015			2013/2014		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
ECD and Partial Care	223 273	222 508	765	-	-	-
Child and Youth Care Centres	52 943	52 722	221	-	-	-
Community-Based Care Services for Children	28 092	27 639	453	-	-	-
<b>Total</b>	<b>545 659</b>	<b>545 352</b>	<b>307</b>	<b>273 526</b>	<b>260 305</b>	<b>13 221</b>

#### 4.2.4. PROGRAMME 4: RESTORATIVE SERVICES

To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organisations through the following sub programmes:

Sub programme 4.1: Management and Support

Sub programme 4.2: Crime Prevention and Support

Sub programme 4.3: Victim Empowerment

Sub programme 4.4: Substance Abuse, Prevention and Rehabilitation

##### **Strategic objectives:**

- To provide integrated developmental services to 18 705 children in conflict with the law by 2016/17.
- To provide care and support services to 97 650 victims of crime and violence by 2016/17.
- To provide prevention, treatment and rehabilitation services for substance abuse programmes to 32.8% (1 520 690) of the population by 2016/17.

Programme Name: Restorative Services					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To provide integrated developmental services to 18 705 children in conflict with the law by 2016/17	2 163	2 200	2152	-48	The number could not reached as it is depended on number of cases referred by SAPs on arrest.
To provide care and support services to 97 650 victims of crime and violence by 2016/17	New indicator	18 000	17 273	- 727	Intensification of preventative programmes resulted in less cases reported.
To provide prevention, treatment and rehabilitation services for substance abuse programmes to 32.8% (1 520 690) of the population by 2016/17	210 291	280 000	248 295	-31 705	It became very difficult to access and mobilise youth out of school as mostly are not in organised structures.

## **Performance indicators**

<b>Programme / Sub-programme: Restorative Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2013/2014</b>	<b>Planned Target 2014/2015</b>	<b>Actual Achievement 2014/2015</b>	<b>Deviation from planned target to Actual Achievement for 2014/2015</b>	<b>Comment on deviations</b>
<b>Sub-programme: Social Crime Prevention and Support</b>					
Number of children in conflict with the law assessed	2 163	2 200	2152	-48	The number declined due to fewer cases of children referred by SAPS for assessment.
Number of children in conflict with the law awaiting trial in secure care centres	867	800	529	-271	The number declined due to fewer cases of children referred by SAPS for assessment to the Department.
Number of children in conflict with the law referred to diversion programmes	1 939	1 900	915	-985	Number not reached as some cases were withdrawn, referred to Child Justice Court, Children's Court and others prosecution declined.

Programme / Sub-programme: Restorative Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-programme: Social Crime Prevention and Support</b>					
Number of children in conflict with the law who completed diversion programmes	798	1 000	761	-239	The number not reached as it is depended on number of cases referred to diversion programmes.
<b>Sub-Programme: Victim Empowerment</b>					
Number of victims of crime and violence in funded service sites	13 176	16 000	15 249	-751	Intensification of preventative programmes resulted in less cases reported.
Number of victims of crime and violence receiving psychosocial support	New indicator	18 000	17 273	-727	Intensification of preventative programmes resulted in less cases reported.

Programme / Sub-programme: Restorative Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-programme: Substance Abuse, Prevention and Rehabilitation</b>					
Number of children 18 years and below reached through drug prevention programmes	97 026	120 000	150 854	+30 854	Additional children attracted to the programme and participated in most of the schools even though were not targeted.
Number of youth between 19 and 35 years reached through drug prevention programmes	113 265	160 000	97 005	-63 434	It became very difficult to access and mobilise youth out of school as mostly are not in organised structures.
Number of service users who accessed inpatient treatment services at funded treatment centres	0	80	-	-80	The services of inpatients were not offered due to the delays by Contractors to complete the Treatment Centre.

Programme / Sub-programme: Restorative Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-programme: Substance Abuse, Prevention and Rehabilitation</b>					
Number of service users who accessed outpatient based treatment services	195	400	436	+36	The demand for the service is high due to limited sites in the province to provide outpatient based treatment services.

### Strategy to overcome areas of under performance

#### **Number of children placed in foster care**

Centralisation of submission of form 30 forms to National DSD to make sure all the responses are monitored centrally.

#### **Number of children in need of care and protection placed in funded Child and Youth Care Centres**

The child protection awareness programmes in different municipalities will encourage the communities to report cases of children that need care and protection services.

#### **Number of children accessing services through the ISIBINDI model**

Service providers will provide transport budget to Child & Youth care workers to access more areas within communities.

The training of new recruits should start early to ensure that children are allocated to them for interventions after six months.

#### **Number of children in conflict with the law assessed**

Implementation of social crime prevention strategy with other stakeholders will ensure that there is decline of cases of children in conflict with the law in the province

Strengthening of Youth programmes in communities will also ensure that youth are engaged in sustainable livelihood programmes that will sustain them.

**Number of children in conflict with the law awaiting trial in secure care**

Implementation of social crime prevention strategy with other stakeholders will ensure that there is decline of cases of children in conflict with the law in the province

Strengthening of Youth programmes in communities will also ensure youth that are engaged in sustainable livelihood programmes that will sustain them.

**Number of children in conflict with the law referred to diversion programmes**

Implementation of social crime prevention strategy with other stakeholders will ensure that there is decline of cases of children in conflict with the law in the province.

Strengthening of Youth programmes in communities will also make sure youth engage themselves in sustainable livelihood programmes that will sustain them.

**Number of children in conflict with the law who completed diversion programmes**

Implementation of social crime prevention strategy with other stakeholders will ensure that there is decline of cases of children in conflict with the law in the province.

Strengthening of Youth programmes in communities will also ensure that youth are engaged in sustainable livelihood programmes that will sustain them.

**Number of victims of crime and violence in funded service sites**

Prevention programmes will be strengthened to make sure victims of crime and violence report cases and perpetrators are provided.

**Number of victims of crime and violence receiving psychosocial**

Prevention programmes will be strengthened to make sure victims of crime and violence report cases and perpetrators are provided with rehabilitation services.

**Changes to planned targets**

None

**Linking performance with budgets**

The programme spent 99,5% of its adjusted budget during the 2014/15 financial year.

Management and Support sub-programme is mainly used for payment of salaries and administration costs for officials in this programme.

Crime Prevention and Support sub programme under spent by R2 246 000 due to March 2015 invoices that were submitted after year end, these invoices were carried to the new financial year as accruals.

Victim Empowerment sub-programme under spent by R1 042 000 and Substance Abuse sub-programme under spent by R1 171 000 due to non-profit organisations not complying with funding requirements.

#### **Sub-programme expenditure**

	<b>2014/2015</b>			<b>2013/2014</b>		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Management and Support</b>	98 379	102 032	(3 653)	-	-	-
<b>Crime Prevention and Support</b>	38 119	35 873	2 246	40 713	38 700	2 013
<b>Victim Empowerment</b>	19 334	18 292	1 042	15 537	13 783	1 754
<b>Substance Abuse, Prevention and Rehabilitation</b>	6 357	5 186	1 171	6 876	5 331	1 545
<b>Total</b>	<b>162 189</b>	<b>161 383</b>	<b>806</b>	<b>63 126</b>	<b>57 814</b>	<b>5 312</b>

#### **4.2.5 PROGRAMME 5: DEVELOPMENT AND RESEARCH**

The purpose of this programme is to provide integrated sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information through the following:

Sub programme 5.1: Management and Support

Sub programme 5.2: Community Mobilisation

Sub programme 5.3: Institutional Capacity Building and Support

Sub programme 5.4: Poverty Alleviation and Sustainable Livelihoods

Sub programme 5.5: Community Based Research and Planning

Sub programme 5.6: Youth Development

Sub programme 5.7: Women Development

Sub programme 5.8: Population Policy and Promotion

**Strategic objectives:**

- To provide Poverty Reduction Services to 25 000 vulnerable households.
- To build capacity for 10 000 civil society structures by 2016/17.
- To coordinate the creation of 15 000 EPWP work opportunities by 2016/17.
- To provide Poverty Reduction Services to 10 000 vulnerable households by 2016/17.
- To provide poverty reduction services to 235 872 vulnerable households by 2016/17.
- To provide skills and empowerment programmes to 50 000 youth by 2016/17
- To provide poverty reduction services to 20 000 vulnerable households by 2016/17.
- To conduct 15 Population and Development related Research projects by 2016/17.
- To provide advocacy and information, education and communication (IEC) on population concerns to 374 stakeholders by 2016/17.

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To provide Poverty Reduction Services to vulnerable households	8730	22000	42 336	+20 336	Effective coordinated efforts within DSD poverty relief programmes, SASSA and NPO managing Provincial Food Distribution Center. This include Social Relief of Distress, food components within Drop-in Centers and ECDs. Poverty relief programmes include amongst others food security, income

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					generating projects, capacity. This included food security programmes, cooperatives and/or income generating projects.

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To provide Poverty Reduction Services to 25 000 vulnerable households	2092	5000	9438	+4438	High interest of communities in participating in mobilization programmes which include Community Profiling, Community Dialogues, Community Based Planning, NPO Road shows, Briefing Sessions for Funding, International Day for the eradication of Poverty, World Population Day.
To build capacity for 10 000 civil society structures by 2016/17	14136	1900	5795	+3895	Collaboration with other stakeholders such as NDA, National Department of Social Development. Impact of the national Roadshows

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To coordinate the creation of 15 000 EPWP work opportunities by 2016/17	4367	4700	4005	-695	Inadequate funds to train more beneficiaries. Reduction of number of participants due to screening of NPOs to meet the means test.
To provide Poverty Reduction Services to 10 000 vulnerable households by 2016/17	2138	52160	42336	-9824	Effective coordinated efforts within DSD poverty relief programmes, SASSA and NPO managing Provincial Food Distribution Center. This includes Social Relief of Distress, food components within Drop-in Centers and ECDs. Poverty relief programmes include amongst others food security, income generating projects, capacity This included food security programmes, cooperatives and or income generating projects.

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To provide poverty reduction services to 235 872 vulnerable households by 2016/17	6693	20530	39092	+18562	Profiling intensified due to the outreach programmes and effective collaboration with other stakeholders
To provide skills and empowerment programmes to 50 000 youth by 2016/17	18388	7726	13487	+5761	High levels of participation of youth in voluntary activities such cleaning in social development facilities and cooking in community based center. Effective collaboration with National Youth Development Agency, Limpopo Economic Development Agency.
To provide poverty reduction services to 20 000 vulnerable households by 2016/17	New indicator	5000	6 322	+1322	High interest of women participating in socio economic programs such as income generating projects, food security and capacity development.

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To conduct 15 Population and Development related Research projects by 2016/17	1	2	1	-1	Child Headed Household study was delayed due to the change of strategy in the implementation of the project.
To provide advocacy and information, education and communication (IEC) on population concerns to 374 stakeholders by 2016/17	91	50	55	+5	Stakeholders increased due to dissemination workshops being combined with the launch of the State of the World Population Report.

**Performance indicators**

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Community Mobilization</b>					
Number of people reached through community mobilization	New indicator	5000	9438	+4438	High interest of communities in participating in mobilization programmes which include Community Profiling, Community Dialogues, Community Based Planning, NPO Road shows, Briefing Sessions for Funding, International Day for the eradication of Poverty and World Population Day.
<b>Sub-Programme: Institutional capacity building and support of NPOs</b>					
Number of NPOs capacitated according to capacity building framework	4425	1 900	3282	+1382	Collaboration with other stakeholders such as NDA, National Department of Social Development. Capacity building included training on financial

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					management, governance, conflict management, NPO registration and compliance.
Number of NPO's assisted with registration in terms of NPO Act	633	300	622	+322	Impact of the National DSD Roadshows that addressed registration, submission of reports and general enquiries.
Number of NPO's assisted to comply with the NPO Act	7 731	1500	1 891	+391	Impact of the National DSD roadshows that addressed registration, submission of reports and general enquiries.
Number of EPWP work opportunities created	2 591	2 500	2 301	-199	Trained Volunteers exited for greener pastures.  Reduction of number of participants due to screening of NPOs to meet the means test

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Number EPWP beneficiaries trained	1 776	2 200	1 704	-496	Inadequate funds to train beneficiaries. Strengthen collaboration with other stakeholders (National DSD, Public Works) training EPWP participants.
Sub-Programme: Poverty Alleviation & Sustainable Livelihoods					
Number of poverty reduction projects supported through capacity building and/or funding initiatives	New indicator	20	22	+2	Due to payment of accruals to two projects from the previous financial year. Delays by the two projects in Capricorn and Vhembe to relocate to the suitable venues.
Number of people participating in income generating programmes	New indicator	140	303	+163	The Mega project approach encouraged projects to expand their beneficiaries and the Department offered all beneficiaries a stipend for 12 months whilst engaged in

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					production for sustainability.
Number of households accessing food through DSD food security programme	2 092	2000	3 898	+1 898	Effective coordinated efforts within DSD Food Security Programmes in partnership with NPOs managing Provincial Food Distribution Center and CNDCs. This includes Social Relief of Distress, food components within Drop-in Centres and ECDs.
Number of people accessing food through DSD feeding programmes (Centre- based)	New indicator	50 000	121 280	+71 280	Effective coordinated efforts within DSD Food Security Programmes in partnership with NPOs managing Provincial Food Distribution Centre and CNDCs. This includes Social Relief of Distress, food components within Drop-in Centres and ECDs.

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Community Based Planning and Research</b>					
Number of households profiled	6 638	20 000	38 438	+18 438	Profiling intensified due to the outreach programmes and effective collaboration with other stakeholders such National Department of Social Development, Municipalities.
Number of communities profiled	33	490	624	+143	Intensified outreach program due to ministerial engagements in the following areas Manini, Maila, Matsila and Mhinga in Vhembe and Muyexhe in Mopani.
Number of community Based plans developed	New indicator	40	30	-10	Prolonged processes on stakeholder engagement on the following areas:  Vhembe: 02 Capricorn: 02 Mopani: 02 Sekhukhune: 04.

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Youth Development</b>					
Number of youth development structures supported through capacity building and/or funding initiatives	New indicator	6	5	-1	Recommended Youth NPO failed to comply with other requirement. i.e The transfer bounced as a result of the inactive account of the organisation.

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-Programme: Youth Development</b>					
Number of youth participating in National Youth Service Programme	5 394	3000	3 948	+948	High levels of participation of youth in voluntary activities such cleaning in social development facilities and cooking in community based center such as DICs. This was

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
					achieved in partnership with local municipalities
Number of youth participating in entrepreneurship development programmes	1 268	2 000	2 786	+786	Effective collaboration with National Youth Development Agency, Limpopo Economic Development Agency. This was mainly based on business skills development and empowerment.
Number of youth participating in skills development programmes	1 268	200	198	-2	The two trainees from Waterberg got employment.
<b>Sub-Programme: Youth Development</b>					
Number of youth structures established	22	20	22	+2	High level of participation of youth in mobilization activities. This is linked to Community Mobilisation, Dialogues and Based Planning wherein a need arise for the establishment of youth structures in a communities.

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Number of youth participating in Youth mobilization programmes	11 699	2 500	6 533	+4 033	High level of participation of youth in mobilization activities. Participation of youth in programmes Teenage Pregnancy, Leadership Development, Sexual Reproductive Health.
<b>Sub-Programme: Women Empowerment</b>					
Number of women participating in socio-economic empowerment programmes	New indicator	5000	6 322	+1322	High interest of women participating in socio economic programs such as income generating projects, food security and capacity development
<b>Sub-programme: Population Policy Promotion</b>					
Number of dissemination workshops for population and development conducted	6	6	6	None	None
Number of stakeholders who participated in dissemination workshops for	91	50	55	+5	Stakeholders increased due to dissemination workshops being combined with the launch of the State of the World Population Report.

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
population and development.					

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
<b>Sub-programme: Population Policy Promotion</b>					
Number of stakeholders who participated in capacity building training	31	31	33	+2	Additional stakeholders were incorporated during training
Number of population research projects completed	1	2	1	-1	Child Headed Household study was delayed due to the change of strategy in the implementation of the project
Number of demographic	1	1	1	None	None

Programme / Sub-programme: Development and Research					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
profiles completed					

### **Strategy to overcome areas of underperformance**

#### **Number of community Based plans developed**

- The 10 outstanding community based plans will be prioritised during the implementation of 2015/16 operational plans of the affected Districts namely, Capricorn 2, Mopani 2, Sekhukhune 2, and Vhembe 2.

#### **Number of youth development structures supported through capacity building and/or funding initiatives**

- Wrong banking details were provided by Teenage Advisory Group based in Sekhukhune, to the Provincial Office Finance section & transfer failed. As a result; correct banking details have been resubmitted for funding. Strengthen capacity building of the targeted organisations

#### **Number of youth participating in skills development programmes.**

- To encourage youth to complete the training programme.

#### **Number EPWP beneficiaries trained**

- Strengthen collaboration with other stakeholders

### **Changes to planned targets**

The following indicators were affected by changes:

- Number of poverty reduction Projects supported through capacity building and /or funding initiatives.
- Number of people participating in income generating programmes.
- Number household accessing food through DSD food security programmes.

- Number of people accessing food through DSD feeding programmes (centre based).
- Number of youth development structures supported through capacity building and / or funding initiatives.
- Number of population research projects completed.
- Number of poverty reduction Projects supported through capacity building and /or funding initiatives.
- Number of people participating in income generating programmes.
- Number household accessing food through DSD food security programmes.
- Number of people accessing food through DSD feeding programmes.
- Number of youth development structures supported through capacity building and / or funding initiatives.

### **Linking performance with budgets**

The programme spent 99% of its adjusted budget during the 2014/15 financial year. Institutional Capacity Building and Support sub-programme under spent by R4 268 000 due to non-profit organisations not meeting funding requirements.

Poverty Alleviation and Sustainable Livelihood sub programme under spent by R1 791 000 due to non-profit organisations not meeting funding requirements.

### **Sub-programme expenditure**

	<b>2014/2015</b>			<b>2013/2014</b>		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Management and Support</b>	112 432	118 832	(6 400)	105 557	111 890	(6 333)
<b>Community Mobilisation</b>	1 890	1 886	4	-	-	-
<b>Institutional Capacity and Support for NGO</b>	9 203	4 935	4 268	14 398	12 619	1 779
<b>Poverty Alleviation and</b>	17 758	15 967	1 791	29 340	25 711	3 629

	2014/2015			2013/2014		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sustainable Livelihoods</b>						
<b>Community Based Research and Planning</b>	60	-	60	1 626	1 212	414
<b>Youth Development</b>	9 243	8 664	579	3 064	2 286	778
<b>Women Development</b>	1 575	1 514	61	-	-	-
<b>Population Policy and Promotion</b>	5 459	4 436	1 023	4 320	4 277	43
<b>Total</b>	<b>157 620</b>	<b>156 234</b>	<b>1 386</b>	<b>158 305</b>	<b>157 995</b>	<b>310</b>

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
National Development Agency	Training for non-profit organizations	R4 000 000	R3 354 386.00	<p>The attendance of the expected 110 NPOs was 100% on financial management and governance modules.</p> <p>Participants expressed their appreciation as the training opened their eyes in terms of what is expected of them</p>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				as they carry out their daily tasks.
Independent Development Trust	Management of infrastructure projects	R23 127 419.83	R20 784 246.56	Inherited six running projects and four projects have reached practical completion stage.
<b>TOTAL</b>		<b>R27 127 419.83</b>	<b>R24 138 805.83</b>	

## 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Treatment Centres	NPOs	Provide prevention, treatment and rehabilitation services to the communities	Yes	2 276	2 094	N/A
Care and support to older persons	NPOs	Provide protection, care and support services within communities and institutions	Yes	17 767	16 973	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Protective workshops	NPOs	Provide protection care and support services to people with disabilities	Yes	6 565	5 657	N/A
Homes for disabled people	NPOs	Provide protection care and support services to people with disabilities	Yes	4 792	4 538	N/A
Creches	NPOs	To increase the number of children under 4 years of age attending Early childhood Development programmes and partial care	Yes	153134	142 601	N/A
Children's Home	NPOs	To provide care and support for children declared in need of care	Yes	12 650	11 744	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Victim Empowerment	NPOs	Provide counselling to victims of crime and violence in funded sites	Yes	9 080	8 523	N/A
Community based care	NPOs	To reduce the psycho-social impact on individuals and families infected and affected by HIV and AIDS	Yes	61 342	59 422	N/A
Care and support to families	NPOs	To provide integrated services to families.	Yes	6 420	5 825	N/A
Youth	NPOs	Empowering youth structures to conduct services for youth development	Yes	0	0	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Community based projects	NPOs	Reduce vulnerability in poor households and communities	Yes	400	400	None
Institutional capacity	NPOs	Support and build capacity of all community based organisations	Yes	4 000	4 000	None
<b>Total</b>				<b>291 184</b>	<b>271 259</b>	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2014 to 31 March 2015, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Treatment Centres	Provide prevention, treatment and rehabilitation services to the communities	2 276	2 094	NPOs not complying with funding requirements
Care and support to older persons	Provide protection, care	17 767	16 973	NPOs not complying with funding requirements

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
	and support services within communities and institutions			
Protective workshops	Provide protection care and support services to people with disabilities	6 565	5 657	NPOs not complying with funding requirements
Homes for disabled people	Provide protection care and support services to people with disabilities	4 792	4 538	NPOs not complying with funding requirements
Creches	To increase the number of children under 4 years of age attending Early childhood Development programmes and partial care	153 134	142 601	NPOs not complying with funding requirements
Children's Home	To provide care and support for children declared in need of care	18 976	18 912	NPOs not complying with funding requirements
Victim Empowerment	Provide counselling to victims of crime	9 080	8 523	NPOs not complying with funding requirements

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
	and violence in funded sites			
Community based care	To reduce the psycho-social impact on individuals and families infected and affected by HIV and AIDS	61 342	59 422	NPOs not complying with funding requirements
Care and support to families	To provide integrated services to families.	6 420	5 825	NPOs not complying with funding requirements
Youth	Empowering youth structures to conduct services for youth development	1 300	950	NPOs not complying with funding requirements
Community based projects	Reduce vulnerability in poor households and communities	13 290	11 678	NPOs not complying with funding requirements
Institutional capacity	Support and build capacity of all community based organisations	4 000	2 748	NPOs not complying with funding requirements

Transfer payments to NPO's are paid in advance and reconciled on a quarterly basis. Over payments to NPOs are recovered before transfers are made in the next quarterly tranches.

Monitoring of NPO's is done on regular basis though there is limited capacity on personnel from NGO funding directorate to perform monitoring. Social Auxiliary Workers were placed at NPO to build capacity within NPOs. The Department had appointed financial interns to assist NPOs on financial management and long term solution was the advertisement of admin clerk posts to deal specifically with financial management aspect at NPOs. Most of the NPO's are struggling on basic financial management, corporate governance and record keeping because most of them are found in rural areas and illiteracy levels are high. Department entered into an agreement where NPO's are trained on areas mentioned above.

## **6. CONDITIONAL GRANTS**

### **6.1 . Conditional grants and earmarked funds paid**

None

### **6.2. Conditional grants and earmarked funds received**

The Expanded Public Works Programme (EPWP) is one of the Government initiatives aimed at addressing the triple challenges of poverty, unemployment and inequalities confronting the people of South Africa and Limpopo in particular. The EPWP involves creating temporary work opportunities for the unemployed, using public sector expenditure. Given that most of the unemployed are unskilled, the emphasis is on relatively unskilled work opportunities. All of these work opportunities will be combined with a relevant part training, education or skill development, with the aim of increasing the ability of people to earn an income once they leave the programme.

The Department has spent an amount of R2 749 million from the total allocation of R2 772million. The Department confirms that all transfers were deposited into the accredited bank account of the Provincial Treasury during the year under review.

The Department targeted 158 jobs and was able to create 158 jobs with the incentive grant received from National Department of Public Works as allocated. The Department complied with the DORA requirements.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2014 to 31 March 2015.

Conditional Grant: Extended Public Works Programme – Incentive

Department who transferred the grant	Public Works
Purpose of the grant	Facilitate the achievement of the 2013/14 Social Sector work opportunities targets
Expected outputs of the grant	Monitor and support implementation of the plan
Actual outputs achieved	To pay stipend
Amount per amended DORA	R 2 772 000.00
Amount received (R'000)	R 2 772 000.00
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 2 749 000.00
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	The Department will continue to recruit EPWP workers focusing on unemployed people, without discriminating against gender, age and educational level.
Monitoring mechanism by the receiving Department	Standard reporting tool per prescripts

## 7. DONOR FUNDS

### 7.1. Donor Funds Received

Donor Fund

Name of donor	HWSETA
Full amount of the funding	R14 468 million
Period of the commitment	2014/15 financial year

Purpose of the funding	Re-imbursement of the expenditure incurred against development and training of staff
Expected outputs	Re-imbursement of the expenditure incurred against development and training of staff
Actual outputs achieved	Clearance of development and training expenditure from CoE programme
Amount received in current period (R'000)	R14 669 000.00
Amount spent by the Department (R'000)	R14 438 000.00
Reasons for the funds unspent	To pay stipend
Monitoring mechanism by the donor	Standard reporting tool per prescripts

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance and asset management plan

No.	Project	Progress	Expected completion date
1	Seshego Treatment Centre	98% construction progress super structure complete, contractor busy with the finalization of works (repainting, installation of down water pipes, tiling and commissioning of equipments) at the administration block.	May 2015
2	Iris Children's Home	100% construction progress, super structure complete	Practical completion
3	Mtsetweni Children's Home	100% construction progress, super structure complete	Practical completion
4	Mafeke Drop in Centre	100% construction progress, super structure complete	Practical completion
5	Thohoyandou Children's home	Retention	
6	Vukuzenzele Community Rehabilitation Centre	50% Super structure is complete	September 2015

There was one completed project during the course of the 2014/15 financial year, Thohoyandou Children's Home and other three attained practical completion stages.

There were no major maintenance of facilities during the year and no major backlogs, it was only routine and planned maintenance. The Department has maintenance plan and managed to maintain 56 against 50 planned facilities.

The following measures were taken to ensure that the Department's asset registers remained up to date during the period under review:

- Monthly reconciliation of asset register and the ledger
- Conducted two physical asset verifications
- Regular updating of the Asset Register after verification
- All new assets purchased during the year have been bar coded and included in the Asset Register.
- Lost items were reported to Loss Control Committee for recommendations to AO and removed from the Asset Register.

Infrastructure projects	2014/2015			2013/2014		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets		-	-	-	-	-
Upgrades and additions	30 000	20 529	9 471	80 639	18 181	62 458
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-

Infrastructure projects	2014/2015			2013/2014		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>Total</b>	<b>30 000</b>		<b>9 471</b>	<b>80 639</b>	<b>18 181</b>	<b>62 458</b>

## PART C:

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# GOVERNANCE

## **1. INTRODUCTION**

The Department is committed to strengthen and improve management administrative functions with a view of enhancing service delivery. To this effect the following governance structures were operational in the year under review:

- District Performance Review Committee
- Branch Meeting
- Departmental Budget Committee
- Departmental Performance Review Committee
- Executive Management Committee
- Senior Management Committee
- Risk Management Committee
- Audit Steering Committee
- Extended Executive Management Meeting (convened by the MEC)

## **2. RISK MANAGEMENT**

The Department of Social Development continued to perform risk management at both strategic and operational levels. This is evident in the discharge of Risk Management responsibilities facilitated by the establishment of the risk management committee. The committee is comprised of senior management of the Department and is given support by the Audit steering committee in the endeavour to ensure good governance and compliance with audit principles

- The Department has risk management policy and strategy.
- The Department conducts risk assessment annually and not regularly due to shortage of man power. The Departmental is having an approved Risk Management strategy and it is effective because new emerging risks are being identified during each and every Annual Risk Assessment. Lack of personnel makes the Department not to do wide enterprise risk management.
- There is Risk Management Committee that advises management on the overall system of Risk Management. It is constituted by the executive and senior management of the Department with HOD serving as the chairperson. The committee checks the control measures and mitigations of prioritised risks of the Department on quarterly basis. The Committee recommends for the changing of mitigations if it does not reduce the level of risk.
- The Audit Committee advises the Department on risk management issues. The committee advises on Risk Profile which is being done on yearly basis. The prioritised risks are being monitored on quarterly basis and implementation plans are reviewed on quarterly basis.
- The Department sees progress in the management of risks. This has translated into improvements in the Department's performance, although there is shortage of human

resources. The Department has identified vacant posts of risk management as critical and the plan is to fill them during the current financial year. This may assist in identifying the omitted risks in the District, which may improve the performance of the Department.

### **3. FRAUD AND CORRUPTION**

- The Department has an approved fraud prevention plan. The Department implements the plan through Risk Management section.

Reported cases of fraud and corruption are being investigated and the approved recommendations are being sent to Risk owners for implementation and Risk Management monitors implementation.

The Department conducts education awareness to employees and customers of Department of Social Development.

- The Department has an approved Whistle Blowing Policy. The policy has been distributed to staff members. Amongst other things, the policy affords protection to whistle blowers in terms of the Protected Disclosures Act.
- Whistle blowers report cases to the Head of Department while others report the matter directly to Risk Management Unit. People are also advised to report the matter to National Anti-Corruption Hotline at the number 0800 701 701.

Cases are reported to the Department and referred to Risk Management Unit for investigation. Risk Management investigates the case and makes recommendations. The completed report is sent to Head of Department for approval.

The approved report is sent to the risk owner to implement the approved recommendations.

### **4. MINIMISING CONFLICT OF INTEREST**

- 4.1. The Department ensured that every member of the SMS has declared registrable interests and submitted same to Public Service Commission.
- 4.2. Declarations by members of Bid Adjudication Committees are done through completion of security clearance forms.
- 4.3. Once conflict of interest is identified, the incumbent is withdrawn to serve in the Bid Committee immediately.

### **5. CODE OF CONDUCT**

The Code of conduct act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the code enhances professionalism and help to ensure confidence in the Public Service.

The code of conduct further assist in providing direction to the employees with regard to their relationship with the political office bearers, executive and the public at large.

Employees who breach the code of conduct are subjected to disciplinary process.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has approved the Safety, Health, Environment, Risk and Quality Management policy to provide guidelines on the implementation and maintenance of health and safety standards in the workplace.

60 employees have been trained on occupational health and safety issues to serve as health and safety representatives over the past financial year. They assist the department by assessing and identifying potential safety, health and environment hazards that may affect the health and well-being of employees.

Occupational health and safety audits are periodically done in different workstations to minimize the potential health, safety and environmental hazards.

## 7. PORTFOLIO COMMITTEES

7.1. The dates of the Portfolio Committee meetings were as follows:

- 22 July 2014
- 24 August
- 04 November 2014
- 06 March 2015

Matters raised by the Portfolio Committee include amongst others the following:

Matters Raised	Progress
Requested to see a list of children who are on diversion programme	A list of names and location of all the children who participated in the diversion programmes was provided
Raised concerns around the dilapidated building of Sekutupu old age home	Department carried out maintenance in some parts of the old age home
Concerns raised on the non-completion and delays in the completion of infrastructure projects	Arranges sessions and new appointment of contractors

Furthermore, the following programme issues were raised:

**The strategies that the Department developed and implemented to implement provisions of the Child Care Act.**

- The Organizational structure of the Department makes provision for the Child and Family Care Directorate which caters for Child protection , ECD, Foster Care and Family services to make sure the implementation of the Act in the Province;
- There are Child and Family Care coordinators at the district level responsible for the implementation of the Act,
- Foster Care Unit established at provincial level and Foster care coordinators seconded at both District and sub-district level to focus on the programme,
- The Department has popularised the Act through training different child protection stakeholders and social workers on the provisions of the Act,
- Provincial ECD Task Team and Child Protection Forums are in place and they meet on quarterly basis.
- The Provincial ECD strategy 2010 has been developed by the ECD Forum and approved by EXCO,
- The Department submits quarterly progress reports to National DSD on the Implementation of the Act.
- The Provincial ECD Guideline is currently under review and all stakeholders are being consulted for inputs,
- Capacity building sessions are currently taking place in relation to 'norms and standards' to all stakeholders (officials, NPOs and relevant key Departments). Unregistered partial care facilities are also capacitated on registration requirements as outlined in the Children's Act,
- More than 20 000 partial care staff members have been screened against Part B of the Children's Act,
- Section 137: Recognition of Child Headed Household. Panels for the recognition of CHH have been established in each District. The register is updated every time a CHH is identified.

**A highlight of some successes and challenges encountered in implementing child protection programmes and services and proposed interventions to address them.**

- Social workers have been trained to implement the Act.

- There is Inter-sectoral collaboration through the Child Care forum in implementation of the Act,
- 66 566 children are currently receiving the R15 subsidy,
- 1 368 ECD centres are funded benefiting 88 833 children,
- 2 749 partial care facilities have registered in terms of the Children's Act,
- 151 775 children are accessing the registered ECD programme while 964 children are accessing registered partial care services,
- 4 330 ECD Practitioners trained in the Province. 394 are currently on NQF level 4 training through the Department of Basic Education,
- The National DBE curriculum is implemented,
- Of the 2 720 registered ECD sites, 90 have been constructed by the National Development Agency (NDA), 04 by the mining industry, 01 built by the National Department and 09 under construction through Municipalities and 03 temporary respite care facility constructed by the Municipality,
- There are 17 Child & Youth centres to provide services to children in need of care. Of the 17 facilities 5 are government run and 12 are managed by NPOs, The Department is currently upgrading 3 facilities out of 5 to make sure they meet the norms and standards,
- Provincial ECD Task Team in place to coordinate and integrate services in the Province,
- Cross Border Coordinating Committee and Steering Committee established in Musina to address issues of unaccompanied minors.

**How will the Department ensure that invoices are paid within 30 days to avoid unauthorized expenditure**

- All invoices are delivered at one central point within the finance section;
- Dedicated official to receive and manage the invoice register is appointed in writing,
- Invoices are recorded in the invoice register and stamped the date of receipt,
- The invoice registers are monitored by the supervisors on a weekly basis,
- The officials must within two (2) days upon receipt of the invoice secure the signature of the end user to confirm that the services have been rendered,
- Payment vouchers must be prepared, certified, approved, captured and authorized in the system within five (5) days,

- Report on all invoices paid after 30 days with reasons must be submitted to Provincial Office within two (2) days after each payment batch run,
- The payment register must be signed off by the District Executive Manager
- All rejected Electronic Banking Transfer (EBT) transactions that will make the Department to pay after 30 days will be cancelled. The new banking details submitted by the supplier should be accompanied by a new invoice,
- Submit Payments Exception report to Provincial Treasury before the 07<sup>th</sup> of each month,
- Investigation of all invoices not paid within 30 days and corrective action taken against relevant officials.

### **The progress in contributing to the Millennium Development Goal of halving poverty and unemployment by 2014.**

The Department has contributed to the MDG's through the implementation of following programmes:

- **Food security:**
  - 270 984 households participated in food production.
  - Provincial Food Distribution Centre has been established to benefiting 5 000 households.
  - 12 Community Nutrition Development Centres established.
- **Income generating projects / Sustainable livelihood:**
  - 266 income generating projects were established and funded in all districts
  - 2 500 individuals benefited from income generating projects
- **Women empowerment:**
  - 2 500 women have been exposed to capacity building on women empowerment programmes
- **Taking Department of Social Development:**
  - The introduction of Taking Department of Social Development to communities programme led to increased access to DSD services by community members.

### **8. SCOPA RESOLUTIONS**

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 1 (Irregular, fruitless and	The Committee further recommends that the Accounting Officer must take	The Committee further heard that the Department	The Department has developed internal control tool to monitor compliance	The Department appeared before SCOPA on 05/02/2014 and presented the

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
wasteful expenditure)	effective steps to detect and prevent irregular and fruitless and wasteful expenditures, and ensure that officials comply with supply chain management requirements.	incurred fruitless and wasteful expenditure amounting to R11 049 047 as a result of interest and penalties charged due to late payments to suppliers as well as payments made for capital projects where the progress payments are not linked to the actual work done.	on internal control measures  Supply Chain Management Procedure Manual was developed in January 2013 and supply chain practitioners, Programme Managers, District Executive Managers including members of Bid Committees were capacitated during June 2013 – July 2013 in terms of implementation. A circular outlining the handling of invoices has been issued	report on the implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.
Resolution 2  Significant uncertainties	The Committee further recommends that the Accounting Officer must establish mechanisms and systems to control and manage lawsuits and also report the outcomes of the pending lawsuits cases	The Committee heard and considered evidence that the Department is the defendant in various lawsuits and pending legal cases from individuals and companies. The Department is opposing the claims of R86	The Department has developed a Litigation Procedure Manual to manage and raise awareness on actions by officials of the Department that might lead to lawsuits/ litigations.	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		858 000 and the ultimate outcome of the matters cannot presently be determined. No provision for any liability that may result out of these claims has been made in the financial statements		
Resolution 3 (Annual financial statements, performance and annual report)	The Committee further recommends that the Accounting Officer must enhance their internal control systems regarding financial and performance management as required by PFMA	The Committee heard and considered evidence that the financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1) of the PFMA. Material misstatements of capital assets and disclosure items identified by the auditors were	Financial statements review team is in place comprised of officials from different units  Provincial Treasury officials are invited in all our financial statements review meetings and their contribution on the technical aspects of the statements (i.e. interpretation of the guide etc.) enhances the quality of our financials  The draft financial statements for 2013/14 will be finalized by the end of April 2014. This will allow the	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion	Department to perform adequate quality review	
Resolution 4 (Expenditure management)	The Committee further recommends that the Accounting Officer must take effective and appropriate steps to prevent and detect irregular and fruitless and wasteful expenditures	The Committee heard and considered evidence that the Accounting Officer did not take reasonable steps to prevent irregular expenditure and fruitless and wasteful expenditure, as required by sections 38(1)(c)(ii) of the PFMA	<p>The Department has developed internal control tool to monitor compliance on internal control measures.</p> <p>The invoices from ESKOM are received electronically to expedite the payment process and the processing of the Wesbank invoices is centralised at provincial office.</p> <p>Developed a checklist outlining process to unfold prior commitment of state funds or issuing purchase order. All approved requisitions are signed off by senior finance officials</p>	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 5 (Procurement and contract management)	The Committee further recommended that the Accounting Officer must develop measures and procedures to ensure that officials comply with procurement and contract management rules and regulations	The Committee heard and considered evidence that goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4.	The Department has developed Supply Chain Management (SCM) Procedure Manual as at February 2013, which was rolled out during the first quarter of 2013/2014 financial year  The Department has also developed the Procurement Plan in order to embark on procurement processes on time Developed Term Contract List to improve contract management in terms of monitoring expiry dates of various contracts  Continuous engagements with Provincial Treasury on capacity building to Bid Adjudication Committee members and supply chain practitioners	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.
Resolution 6 (Transfer payments)	The Committee further recommends that the Accounting Officer must develop and maintain	The Committee heard and considered evidence that the Accounting	The Department entered into a three year partnership with National Development	The Department appeared before SCOPA on 05/02/2014 and presented the report on the

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	appropriate measures to ensure that transfers and subsidies to entities are applied for their intended purposes.	Officer did not maintain appropriate measures to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by Treasury Regulations 8.4.1.	Agency to conduct capacity building to NPOs on governance financial management and conflict management  Established district monitoring teams to ensure regular monitoring of NPOs  Perform reconciliation to all transfers to NPOs (compare attendance registers for previous quarter attached with the previous claim and any variances found are deducted from the claim of preceding quarter	implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.
Resolution 7 (Revenue Management)	The Committee further recommends that the Accounting Officer must develop and implement appropriate processes to provide for the identification, recording and reconciliation of revenue	The Committee heard and considered evidence that the Department did not charge interest on debts, as required by Treasury Regulation 11.5.1.	Request information from logistic for officials exceeded their cell phones limit  Receive information from Transport Management on damage of state vehicles and underutilization of subsidized vehicles  The letter of demand is written to the	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions. SCOPA directed that the Department improve the responses. The responses were revised and the report

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>debtors to inform of the debt</p> <p>Request for the completion of debt acknowledgement form on how the will be settled</p>	was submitted to SCOPA.
Resolution 8 (Human resources Management)	The Committee further recommends that the Accounting Officer must develop and implement procedures for ensuring that employees appointed are verified and vetted before getting formal appointment	The Committee heard and considered evidence that employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8	<p>Prospective employees are vetted by State Security Agency and verification of qualifications checked with South African Qualifications Authority (SAQA) before appointments are made.</p> <p>Departmental Circular No 31 of 2013 was issued on the 20th September 2013 directing that personnel suitability check [vetting] should be conducted prior appointment.</p> <p>The department has developed the individual employee leave register where leaves are recorded and submitted to</p>	The department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions. SCOPA directed that the department improve the responses. The responses were revised and the report was submitted to SCOPA.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			HRM on receipt for capturing.  Leave management task teams have been established in all districts and continuous workshops are held constantly	
Resolution 9 (Leadership)	The Committee recommends that the MEC must take action against the management for failing to provide adequate leadership and to demonstrate commitment to integrity and ethical values	The Committee heard and considered evidence that management does not always provide effective leadership to demonstrate commitment to integrity and ethical values, hence the incurrence of irregular, fruitless and wasteful expenditure	The MEC is in the process of considering the recommendations of SCOPA and will provide a report on the implementation of this recommendations.  In addition, the Department has subjected all members of SMS on a competency assessment exercise after which individual capacity building plan were developed and implemented beginning of June 2013.	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions.  SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.
Resolution 10 (Financial and performance management)	The Committee recommends that the Accounting Officer should strengthen capacity in the human	The Committee heard and considered evidence that owing to lack of	Assets management strategy has been developed to strengthen capacity	The Department appeared before SCOPA on 05/02/2014 and presented the report on the

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	resource and finance sections in order to adequately perform their functions, such as regular confirmation of the existence and reconciliation of assets of the Department	capacity in the human resource and finance section of the Department, the Department did not adequately perform their functions, such as regular confirmation of the existence and reconciliation of assets of the Department and there are insufficient procedures in place to design and monitor controls over information systems	in asset management.  The Department has changed the colour of the bar code from silver to yellow.  The Department has issued Circular No 06 of 2012 which directs that all managers, supervisors and coordinators should include asset management as one of their Key Result Area in their Performance Instruments	implementation of the 2011/12 resolutions.  SCOPA directed that the Department improve the responses. The responses were revised and the report was submitted to SCOPA.
Resolution 11 (Performance audits)	The Committee recommends that the Accounting Officer must fully implement the recommendations provided in the performance audit report	The Committee heard and considered evidence that a performance audit was conducted on the readiness of government to report on its performance.	The recommendations are being implemented	The Department appeared before SCOPA on 05/02/2014 and presented the report on the implementation of the 2011/12 resolutions.  SCOPA directed that the Department improve the responses. The responses were

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The focus of the audit was on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place		revised and the report was submitted to SCOPA.

#### 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Movable tangible assets	2013/14	The Department embarked on the process of asset verification during the roll-out of Barcoded Asset Audit system. All institutions for the Department were visited to barcode all assets which were previously not barcoded and recorded in the asset register.

#### 10. INTERNAL CONTROL UNIT

Internal control unit has been consolidating information/reports for oversight bodies to ensure compliance with submission deadlines. The unit organized pre-audit teams comprising of management who assisted in monitoring compliance to augment services rendered by the limited personnel in the unit.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### Key activities and objectives of the internal audit

Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) & Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

- the effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the institution's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- any accounting and auditing concerns identified as a result of internal and external audits;
- The institution's compliance with legal and regulatory provisions; and
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

During the financial year 2014/2015, the AC has met at least five (5) times (excluding special meetings) to perform its roles and responsibilities as stipulated in the AC Charter. In addition, the AC held its AC Annual Strategic Planning Workshop from 23 – 24 April 2014 to review its 2013/2014 performance and plan for the 2014/2015 financial year. The Central Audit Committee (CAC) structure assumed the responsibilities of ensuring that all the Resolutions taken during the Annual Strategic Planning for the AC are implemented. However, from the total of 22 Resolutions taken, only 15 were successfully implemented and five (5) of the unresolved resolutions were overtaken by events while the two (2) were carried to the current financial year 2015/2016. The two unresolved resolutions relate to the development of the Provincial Risk Profile as well as improving capacity within Limpopo Provincial Treasury.

Both the AC Charter and the Accounting Officer's Reporting Framework to the AC were reviewed and adopted during the Annual AC Strategic Planning. National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average score of 3.87 (from rating of 4 – 5) when combining the average scores of all the AC Stakeholders.

**Key activities and objectives of the audit committee:**

The Strategic Objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- the availability of a well-resourced, functional and sustained internal audit function;
- sound relationship with all assurance providers, oversight structures and other stakeholders;
- Effective and efficient Internal and External Audit processes.
- promotion of sound functional interaction between the internal audit and other assurance providers;
- that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- Heads of Departments are fully supported in fulfilling their responsibilities in terms of the PFMA;
- accountability in terms of financial management and performance information for effective service delivery; and
- Compliance with relevant laws and regulations.

Resignations and terminations from the AC membership were as per table below:

NO	NAME & SURNAME	CLUSTER	REASONS
1.	Mrs. Fanisa Lydia Lamola	CAC Chairperson	Resigned due to acceptance of Government Position.
2.	Mrs. Fikile Judith Mudau	Cluster 01 AC Member	Contract Prematurely Terminated by the MEC for Finance due to poor attendance of AC meetings.

In addition, all the AC Members participated in the 2<sup>nd</sup> Limpopo Public Sector Corporate Governance and Ethical Workshop held in February 2015 wherein Cluster 01 Chairperson was a speaker.

The following table stipulate the nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	April 2014	AC Annual Strategic Planning Workshop	Audit Committee Charter,  Internal Audit Charter,  Accounting Officer's Reporting Framework to the AC,  Status of Section 100 (1) (b) Constitutional Intervention in Limpopo,  Reflection on the Status of the Previous Year AC Resolutions,  360 Degree Evaluation Feedback.
2.	May 2014	Review of Fourth Quarterly Performance Review and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	Performance Information,  Draft Annual Financial Statements,  Accounting Officer Report to the AC (Financial & Non-Financial),  Quarterly Risk Management Report,  SCOPA Resolutions Implementation Progress,  Auditor General Audit Findings Implementation Progress,  Internal Audit Quarterly Progress Report.
3.	July 2014	Review of Draft Audit and Management Reports	Audited Financial Statements,  Draft Management Report, and  Draft Audit Report.
4.	July 2014	Workshop on Accounting Officer's Reporting Framework to the AC	Accounting Officer's Reporting Template to the AC.

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
5.	September 2014	Review of Half Yearly (First & Second Quarter) Performance Review	All information under No. 2 despite point a & b, and  Procurement Plans of the Departments.
6.	November 2014	Approval of Auditor General Audit Coverage Strategy, Approval of 2014/2015 First Quarterly Internal Audit Plans and Review of Third Quarterly Performance Review	All information under No. 2 despite point a & b.
7.	March 2015	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	All information under No. 2 despite point a & b,  Three Year Internal Audit Plan plus 2013/2014 Annual Plans, and  Auditor General Audit Coverage Strategy.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
T.C MODIPANE	CA (SA)  B COM: Honours (CTA)  B COM: Accounting  Higher Diploma in Auditing	External	N/A	01 January 2014	To Date	05

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
	Certificate in Financial Modeling  Certificate in Business Development Systems					
Adv. G KHOZA	LLB  IMSSA  Higher Diploma in Tax Law	External	N/A	01 January 2014	To Date	05
F.J MUDAU	BCOM Accounting	External	N/A	01 January 2014	31 January 2015  (Contract Terminated)	01
L KUBHEKA	BTech: FIS  National Diploma: FIS  COBIT Advanced – ISO 27001 Lead Auditor	External	N/A	01 January 2014	To Date	06
L.J VILAKAZI	Diploma in Accountancy  National Diploma Internal Auditing  Certificate in Accounting	External	N/A	01 January 2014	To Date	01  (Co-Opted)

## 12. AUDIT COMMITTEE REPORT



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

### PROVINCIAL TREASURY

## REPORT OF THE AUDIT COMMITTEE ON THE DEPARTMENT OF SOCIAL DEVELOPMENT

We are pleased to present our report for the financial year ended 31 March 2015.

### Audit Committee Structure

Limpopo has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

**The following internal audit work was completed during the year under review:**

No.	Audit project
1	Transfer Payments
2	In-Year-Monitoring (IYM)
3	Project Management
4	Supply Chain and expenditure Management (SCM)
5	Youth Development
6	Child Care
7	Non- Profit Organisations (Sustainable Livelihood)
8	Records Management
9	Debt Management
10	Reliability and Integrity of Performance Information

No.	Audit project
11	Asset Management
12	Fleet Management
13	Review of Interim Financial Statements
14	Follow-Reviews (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> )
15	IT governance phase 1 and BAS and PERSAL user account management

The following were areas of concern:

- Mistatements of payments made to the NPOs.
- Inadequate management of infrastructure projects.
- Though the Audit Committee noted some improvement on the the rate of implementing internal and external audit recommendations, however more concerted efforts are required to satisfactorily resolve all findings.

The Department's system of internal control failed to detect non-compliance with section 51(1)(a)(iii) of the PFMA and material misstatements in the financial statements in the following areas:

- Irregular expenditure;
- Fruitless and wasteful expenditure;
- Movable assets;
- Receivables;
- Commitments;
- Contingent liabilities;
- Payables
- Transfer payments; and
- Prepayments and advances

### **In-Year Management and Monthly/Quarterly Report**

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA.

### **Evaluation of Financial Statements**

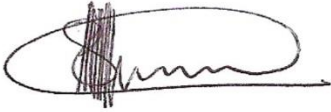
We have reviewed the annual financial statements prepared by the department.

### **Auditor General's Report**

We have reviewed the Department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved with the following exceptions on:

- The late capturing of leave; and
- Delayed transfer of completed projects to Department of Public Works;

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



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**Tebogo Collen Modipane CA(SA)**  
**Chairperson of the Audit Committee**  
**Department of Social Development**  
**31 July 2015**

## PART D:

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# HUMAN RESOURCE MANAGEMENT

## 1. INTRODUCTION

The Department engaged in an organizational structure review process to ensure its alignment to government mandates and strategic objectives. The review also encompassed the creation of posts for MEC support staff since the posts were shared with the Department of Health.

Following the DPSA directive, the Department engaged in the PERSAL clean-up Process, which among others resulted in all unfunded vacant position being abolished. During the year under review, the Department identified 232 critical vacant posts out of which 80 posts were reprioritized for filling.

With regards to skills development interventions, the Department implemented management development programs for all levels of employees (Foundation Program, Management Development Program, Emerging Management Program, and Executive Leadership Program).

## 2. OVERVIEW OF HUMAN RESOURCES

- The Department reviewed its organisational structure in 2014 with a view of creating posts for MEC support staff. Previously there was one Executive Authority responsible for the Department of Health and Social Development. As at 31 March 2015, the vacancy rate for the entire Department was at 40.40% The current status of posts is as follows:

**Support Staff:**

Filled posts: 673

Vacant posts: 645

**Social Welfare Services:**

Filled post: 1 816

Vacant posts: 1 103

**Community Development Services:**

Filled posts: 383

Vacant posts: 199

- The Employment equity status in terms of SMS females is 54.5% as at 31 March whereas the status for people with disabilities is 1.3%.
- The MTEF HR Plan provides an overview of the Department's human resources requirements over the next three years.
- Strategic HR Plan is developed to ensure that the workforce supply matches current and future demands. In addition, the Departmental HR Plan sets out the issues, evidence and

strategies required to deliver a sustainable workforce capable of continuing to deliver high quality social services to the people of Limpopo.

- As part of reengineering, the Department embarked on the Organisational Functionality Assessment to reposition and review its business processes.

## **HUMAN RESOURCE ACHIEVEMENTS**

- The Department absorbed 296 Social Services Professionals who were bursary holders.
- All unfunded posts were abolished through PERSAL clean-up process.
- The Department has finalised four Human Resource Policies on Wellness Management, Safety, Health, Environment, Risk and Quality Management, Health and Productivity Management and Workplace HIV and AIDS. Safety, Health and Environmental representatives have been appointed in all institutions.
- A total of 610 employees attended proactive lifestyle programs such as financial literacy skills, gender sensitisation and Health Promotion programmes such as cancer awareness. Two hundred and forty nine (249) employees attended on site health and wellness screening services which included hypertension, sugar diabetes, cholesterol and stress levels. A total of eighty (80) employees attended HIV Counselling and Testing.
- The CCMA awarded three (3) arbitrations in favour of the Department.
- The Performance Management system is implemented accordingly in the Department.
- The incentive policy framework is being implemented.
- Noncompliance with PMDS guidelines is still a challenge; however the Department has put additional control measure to address noncompliance challenges. The Department in partnership with National Department of Social Development offers bursaries as recruitment strategy to students studying towards Social work degree and Community Development and this has served as a pool of professionals for appointment purposes.
- All members of Senior Management Services disclosed their financial interest on time.

## **CHALLENGES FACED BY THE DEPARTMENT**

- The Department implemented Occupation Specific Dispensation (OSD) for Social Services, the intention being to recruit and retain this category of employees, the inconsistencies in the implementation of OSD across Provinces and sector Departments makes it difficult to retain this category of professionals, hence the high staff turnover.

In general, staff stability rate is high, mostly in Community Development and other support personnel. Social Workers are moving across sector Departments which is mainly attributed to inconsistencies in the implementation of OSD and the working conditions in the Department.

- The Department has developed the recruitment and retention strategy in an attempt to address the HR challenges. The assessment in terms of funding is that Social Development in Limpopo Province is far below other Provinces.
- Funding for absorption of the social work graduates is not aligned with the number of graduates per provinces in that province with fewer numbers of graduates receives high funding vice versa.
- The Department has high vacancy rate that is mainly influenced by non-filling of posts due to insufficient funds.

#### **FUTURE HUMAN RESOURCE PLANS/GOALS**

- Filling of funded vacant posts within the prescribed period.
- Review of recruitment and retention strategy;
- Implement training and development plan;
- Continuous updating and cleaning of PERSAL System;
- Continued implementation of Internship and Learnership programme.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular,

- it provides an indication of the following:
- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
<b>Prog. 1</b>	234 951	137 258	0	0	58.4	41
<b>Prog. 2</b>	851 852	446 963	0	0	47.8	41
<b>Prog. 3</b>	128 707	105 372	0	0	81.9	31
<b>Total</b>	<b>1 218 770</b>	<b>689 592</b>	<b>0</b>	<b>0</b>	<b>56.6</b>	<b>205</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average cost per employee (R'000)
Lower skilled (Levels 1-2)	23 685	3.3	203	116 675
Skilled (level 3-5)	71 877	10	467	153 912
Highly skilled production (levels 6-8)	445 864	61.9	1913	233 071
Highly skilled supervision (levels 9-12)	127 278	17.7	275	462 829
Senior and Top management (levels 13-16)	17 882	2.5	23	777 478
Contracts	19 184	2.7	459	41 795
<b>Total</b>	<b>705770</b>	<b>0</b>	<b>3340</b>	<b>211308</b>

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015.

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Prog. 1	111004	73.2	2173	1.4	5205	3.4	7271	4.8

Prog. 2	333857	72.9	189	0	16176	3.5	19923	4.3
Prog. 3	78436	71	0	0	3610	3.3	4099	3.7
<b>Total</b>	<b>523297</b>	<b>72.7</b>	<b>2362</b>	<b>0.3</b>	<b>24991</b>	<b>3.5</b>	<b>31293</b>	<b>4.3</b>

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	15394	64.9	49	0.2	1901	8	2643	11.1
Skilled (level 3-5)	49244	68.3	716	1	4326	6	5871	8.1
Highly skilled production (levels 6-8)	330479	73.2	1071	0.2	16209	3.6	19024	4.2
Highly skilled supervision (levels 9-12)	94192	70.1	742	0.6	2118	1.6	3516	2.6
Senior management (level 13-16)	14814	76.8	0	0	438	2.3	239	1.2

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Contract	19148	99.7	36	0.2	0	0	0	0
<b>Total</b>	<b>523271</b>	<b>72.7</b>	<b>2614</b>	<b>0.4</b>	<b>24992</b>	<b>3.5</b>	<b>31293</b>	<b>4.3</b>

### 3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Prog. 1	1318	673	48.9	3
Prog. 2	2919	1816	37.8	0
Prog. 3	582	383	34.2	0
<b>Total</b>	<b>4819</b>	<b>2872</b>	<b>40.4</b>	<b>3</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2015

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	447	203	54.6	0
Skilled(3-5)	1329	464	65.1	0
Highly skilled production (6-8)	2469	1910	22.6	0
Highly skilled supervision (9-12)	541	272	49.7	1
Senior management (13-16)	33	23	30.3	2
<b>Total</b>	<b>4819</b>	<b>2872</b>	<b>40.4</b>	<b>3</b>

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Support	1318	673	48.9	3
Social Workers	1896	1527	19.5	0
Nurses	21	11	47.6	0
Child Youth Care Workers	174	86	50.6	0

Social Auxiliary Workers	822	190	76.9	0	
Allied Health Workers	6	2	66.7	0	
Community Development Workers	582	383	34.2	0	
<b>TOTAL</b>	<b>4819</b>	<b>2872</b>	<b>40.4</b>	<b>3</b>	

### 3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	3.7%	0	0
Salary Level 16	0	1	3.7%	-1	-3.7%
Salary Level 15	0	0	0	0	0
Salary Level 14	4	3	11.1%	1	3.7%
Salary Level 13	22	18	66.6%	4	14.8
<b>Total</b>	<b>27</b>	<b>23</b>	<b>85.5%</b>	<b>4</b>	<b>15%</b>

Table 3.3.2 SMS post information as on 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	3.7%	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	4	3	11.1%	1	3.7%
Salary Level 13	22	17	63%	5	18.5%
<b>Total</b>	<b>27</b>	<b>21</b>	<b>78%</b>	<b>6</b>	<b>22%</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015

SMS LEVEL	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 min of becoming vacant	Number of vacancies per level not filled in 6 but filled in 12 months
Director General /Head of Department	None	none	None

Salary Level 16	None	None	None
Salary Level 15	None	None	None
Salary Level 14	1	None	1
Salary Level 13	3	None	2
<b>Total</b>	<b>4</b>	None	<b>3</b>

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015

<b>Reason for vacancies not filled within twelve months</b>
The process of filling the posts for SMS took long period than the anticipated.

<b>Reasons for vacancies not filled within six months</b>
Still in the processes of filling them ( still within the twelve months of filling them)

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015

<b>Reasons for vacancies not advertised within six months</b>
Not applicable

Reasons for vacancies not filled within six months
Not applicable

### 3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	447	0	0	0	0	0	0
Skilled (Levels 3-5)	1329	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	2469	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	541	10	0.2%	13	130%	0	0

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior Management Service Band A	28	3	0.06%	0	0	0	0
Senior Management Service Band B	4	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
<b>Total</b>	<b>4819</b>	<b>13</b>	<b>0.26%</b>	<b>13</b>	<b>130%</b>	<b>0</b>	<b>0</b>

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	4	0	0	0	4
Male	9	0	0	0	9
<b>Total</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation		None		
Percentage of total employed		None		

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	None

Male	0	0	0	0	None
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>None</b>

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of employees at beginning of period-1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( Levels 1-2)	209	0	6	2.9
Skilled (Levels3-5)	473	2	9	1.9
Highly skilled production (Levels 6-8)	1651	308	49	2.9
Highly skilled supervision (Levels 9-12)	281	4	15	5.3
Senior Management Service ( Level 13-16)	21	4	2	9.5

<b>Total</b>	<b>2635</b>	<b>318</b>	<b>81</b>	<b>3</b>
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Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015

<b>Critical occupation</b>	<b>Number of employees at beginning of period-April 2014</b>	<b>Appointments and transfers into the Department</b>	<b>Terminations and transfers out of the Department</b>	<b>Turnover rate</b>
Support	683	16	24	3.5
Social Workers	1282	283	41	3.2
Nurses	12	1	1	8.3
Child Youth Care Workers	88	2	3	3.4
Social Auxiliary Workers	192	0	2	1
Allied Health Workers	2	0	0	0
Community Development Workers	376	16	9	2.4
<b>TOTAL</b>	<b>2635</b>	<b>318</b>	<b>80</b>	<b>3</b>

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2014 and 31 March 2015

<b>Termination Type</b>	<b>Number</b>	<b>% of Total Resignations</b>
Death	6	7.5%

Termination Type	Number	% of Total Resignations
Resignation	24	30%
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	1	1.3%
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	13	16.3%
Transfer to other Public Service Departments	36	45%
Other	0	0
<b>Total</b>	<b>80</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>2.8%</b>

Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015

Occupation	Employees April 2014	Promotions to another salary level	Salary promotions as a % of employees occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	None	None	None	None	None
<b>TOTAL</b>	None	None	None	None	None

Table 3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees April 2014	Promotions to another salary level	Salary promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	None	None	None	None	None
Skilled (Levels3-5)	None	None	None	None	None
Highly skilled production (Levels 6-8)	None	None	None	None	None
Highly skilled supervision (Levels 9-12)	None	None	None	None	None

Salary Band	Employees April 2014	Promotions to another salary level	Salary promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Senior Management (Level 13-16)	None	None	None	None	None
<b>Total</b>	None	None	None	None	None

### 3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Support	264	0	0	0	405	2	0	2	673
Social Workers	377	0	0	0	1144	0	0	6	1527
Nurses	1	0	0	0	10	0	0	0	11
Child Youth Care Workers	21	0	0	0	65	0	0	0	86
Social Auxiliary Workers	59	0	0	0	131	0	0	0	190

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Allied Health Workers	0	0	0	0	2	0	0	0	2
Community Development Workers	194	0	0	0	189	0	0	0	383
<b>Total</b>	<b>916</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1946</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>2872</b>
<b>Employees with disabilities</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>42</b>

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (15 -16)	0	0	0	0	2	0	0	0	2
Senior Management (13-14)	10	0	0	0	11	0	0	0	21

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management (9-12)	116	0	0	0	154	0	0	2	272
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	575	0	0	0	1329	0	0	6	1910
Semi-skilled and discretionary decision making (3-5)	140	0	0	0	322	2	0	0	464
Unskilled and defined decision making (1-2)	75	0	0	0	128	0	0	0	203
<b>Total</b>	<b>916</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1946</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>2872</b>

Table 3.6.3 Recruitment for the period 1 April 20YY to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (15-16)	0	0	0	0	1	0	0	0	1
Senior Management (13-14)	0	0	0	0	3	0	0	0	3
Professionally qualified and experienced specialists and mid-management (9-12)	2	0	0	0	1	0	0	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	84	0	0	0	224	0	0	0	308

Occupational band	Male					Female				Total
	African	Coloured	Indian	White		African	Coloured	Indian	White	
Semi-skilled and discretionary decision making (3-5)	1	0	0	0		1	0	0	0	2
Unskilled and defined decision making (1-2)	0	0	0	0		0	0	0	0	0
<b>Total</b>	87	0	0	0		230	0	0	1	318
<b>Employees with disabilities</b>	1	0	0	0		0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	None	None	None	None	None	None	None	None	None
Senior Management	None	None	None	None	None	None	None	None	None

Occupational band	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Professionally qualified and experienced specialists and mid-management	None	None	None	None		None	None	None	None		None
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	None	None	None	None		None	None	None	None		None
Semi-skilled and discretionary decision making	None	None	None	None		None	None	None	None		None
Unskilled and defined decision making	None	None	None	None		None	None	None	None		None
<b>Total</b>	None	None	None	None		None	None	None	None		None
<b>Employees with disabilities</b>	None	None	None	None		None	None	None	None		None

Table 3.6.5 Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (15-16)	0	0	0	0	0	0	0	0	0
Senior Management (13-14)	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management (9-12)	4	0	0	0	10	0	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	21	0	0	0	25	0	0	1	47
Semi-skilled and discretionary decision making (3-5)	6	0	0	0	3	0	0	0	9

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making (2-3)	3	0	0	0	5	0	0	0	8
<b>Total</b>	35	0	0	0	44	0	0	1	80
<b>Employees with Disabilities</b>	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Theft	2	0	0	0	0	0		0	2
Intimidation	1	0	0	0	0	0	0	0	1
Dereliction of duties and responsibilities	2	0	0	0	1	0	0	0	3
Prejudice the administration	1	0	0	0	1	0	0	0	2
Abscondment	1	0	0	0	0	0	0	0	1
Contravention of Children Act	1	0	0	0	0	0	0	0	1

Negligence	1	0	0	0	0	0	0	0	1
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Table 3.6.7 Skills development for the period 1 April 2014 to 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	10	0	0	0	13	0	0	0	23
Middle Management	116	0	0	0	154	0	0	2	272
Professionals	575	0	0	0	1329	0	0	6	1916
Clerks	140	0	0	0	322	2	0	0	464
Elementary occupations	75	0	0	0	128	0	0	0	203
<b>Total</b>	<b>916</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1946</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>2872</b>
<b>Employees with disabilities</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>42</b>

### 3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 Mar 2015

SMS Level	Total number of funded SMS posts	Total number of members	SMS	Total number of signed performance agreements	Signed agreements as % of total number of SMS members
Director-General/ Head of Department	1	1		1	100%
Salary Level 16	0	1		0	0
Salary Level 15	0	0		0	0
Salary Level 14	4	3		3	100%
Salary Level 13	22	18		18	100%
<b>Total</b>	<b>27</b>	<b>23</b>		<b>22</b>	<b>96%</b>

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015

Reasons
The remaining one occupied the MEC position her contract is not signed at the Departmental Level.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

Reasons
None

### 3.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	256	916	27.29%	2319	9058.59
Female	792	1946	40.18%	7124	8994.94
<b>Asian</b>					
Male	0	0	0	0	0
Female	0	0	0	0	0

Race and Gender	Beneficiary Profile				Cost	
	Number of beneficiaries	Number of employees	% of total group	within	Cost (R'000)	Average cost per employee
<b>Coloured</b>						
Male	0	0	0		0	0
Female	0	2	0		0	0
<b>White</b>						
Male	0	0	0		0	0
Female	2	8	25%		17	8500.00
<b>Total</b>	<b>1050</b>	<b>2872</b>	<b>36%</b>		<b>9597</b>	<b>9140</b>

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015

Salary band	Beneficiary Profile				Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total salary bands	within	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	141	203	69.5		614	4 355	

Salary band	Beneficiary Profile				Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total (R'000)	Average cost per employee		
Skilled (level 3-5)	160	464	34.5	911	5 694		
Highly skilled production (level 6-8)	691	1910	36.2	7 105	10 282		
Highly skilled supervision (level 9-12)	58	272	21.3	967	16 672		
Total	1050	2849	36.9	9597	9140		

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Support	299	673	44.4	2209	7387.95
Social Workers	447	1527	29.2	4836	10818.79

Nurses	10	11	90.9	101	10100.00
Child Youth Care Workers	52	86	60.4	389	7480.76
Social Auxiliary Workers	86	190	45.2	514	5976.74
Allied Health Workers	2	2	100	10	5000.00
Community Development Workers	154	383	40.2	1538	9987.01
<b>Total</b>	<b>1050</b>	<b>2872</b>	<b>36.6</b>	<b>9597</b>	<b>9140</b>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March

2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total (R'000)	Average cost per employee	
Band A	0	18	0	0	0	0
Band B	0	3	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	2	0	0	0	0
<b>Total</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015

Salary band	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	None	None	None	None	None	None
Highly skilled production (level. 6-8)	None	None	None	None	None	None
Highly skilled supervision (level. 9-12)	None	None	None	None	None	None
Contract (level 9-12)	None	None	None	None	None	None
Contract (level 13-16)	None	None	None	None	None	None
<b>Total</b>	None	None	None	None	None	None

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015

Major occupation	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
None	None	None	None	None	None	None
None	None	None	None	None	None	None

### 3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days	% Medical certification	Number Employees using sick leave	% of employees using leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	1432	94.3	144	6.5	10	585
Skilled (levels 3-5)	2890	86.7	372	16.9	8	1 705
Highly skilled production (levels 6-8)	9030	87	1306	59.4	7	8 596
Highly skilled supervision (levels 9 - 12)	1729	92.5	210	9.5	8	2 965

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Top and Senior management (levels 13-16)	128	96.9	17	0.8	8	414
<b>Total</b>	<b>15209</b>	<b>88.4</b>	<b>2049</b>	<b>0</b>	<b>7</b>	<b>14265</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	90	100	5	11.6	18	34
Skilled (Levels 3-5)	211	100	7	16.3	30	122
Highly skilled production (Levels 6-8)	478	99	23	53.5	21	475
Highly skilled supervision (Levels 9-12)	30	100	5	11.6	18	34

Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>809</b>	<b>99.4</b>	<b>41</b>	<b>0</b>	<b>20</b>	<b>687</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	4458	22	205
Skilled Levels 3-5)	10226	22	470
Highly skilled production (Levels 6-8)	38615.92	20	1933
Highly skilled supervision (Levels 9-12)	6920	24	283
Senior management (Levels 13-16)	566	24	24
<b>Total</b>	<b>60785.92</b>	<b>21</b>	<b>2915</b>

Table 3.10.4 Capped leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	8	8	125	5729
Highly skilled production (Levels 6-8)	56	8	85	10775
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>64</b>	<b>8</b>	<b>95</b>	<b>16504</b>

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2014 and 31 March 2015

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave payouts on termination of service for 2014/15	2 292 072	15	152804787

Current leave payout on termination of service for 2014/15	508 981.62	27	18851171
<b>Total</b>	<b>2801053.42</b>	<b>42</b>	<b>66691748</b>

### 3.11 HIV AND AIDS & Health Promotion Programmes

Table 3.1.1.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A

Table 3.1.1.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		SM ; HRM
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		One Manager responsible for Employee Health and Wellness. The budget is allocated and shared within the SM: HRM section. It is not segregated per Sub-Division.

Question	Yes	No	Details, if yes
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The committee members are Mr Maake responsible for Employee Health and Wellness programme, Mr Rangata Manager Substance Abuse, Ms Fiona Modikwa Manager Social Work HIV and AIDS, Mr Rasivumo HRM Senior Practitioner responsible for COIDA, Mr Reuben Mabilu, Manager Responsible for HRP, Ms Caroline Moselana responsible for logistics and Ms Moloto representing labour unions.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department has reviewed the Employee Health and Wellness policies in line with the requirements of the DPSA Strategic framework on Employee Health and Wellness. The current approved policies are Wellness Management, HIV and AIDS Workplace policy, Health and Productivity Management and the Occupational Health

Question	Yes	No	Details, if yes
			and Safety Policy to reduce workplace discrimination and exposures
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department has measures to assist employees who have disclosed their HIV status. Some of the measures included in the policy are confidentiality, non-discrimination, non-compulsory testing, gender equality, non-screening for employment purposes, prevention and continuous social dialogue to address workplace HIV and AIDS issues.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		The Department encourages employees to undergo HIV AIDS Counselling and Testing. The Department facilitate on site HCT campaigns within the work station. A total of 291 employees have tested up the end of March 2015.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The health and wellness programmes are monitored through submissions of the monthly reports, quarterly reports and the annual report. An annual plan is developed and approved by management at the

Question	Yes	No	Details, if yes
			beginning of the financial year as means to address workplace HIV and AIDS. Some of the indicators use to assess the impact of the health programmes include number of sick leave and analysis, number of ill health retirements, number of people who have disclosed their HIV status, number of employees who have undergone HCT, attendance register of employees attending health information sessions and the number of condoms distributed

### 3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2014 and 31 March 2015

Subject matter	Date
Total number of Collective agreements	None

### Notes

Total number of Collective agreements	None
---------------------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	2	18%
Final written warning	3	27%
Suspended without pay	3	27%
Fine	0	0
Demotion	0	0
Dismissal	3	27%
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>11</b>	<b>100%</b>

<b>Total number of Disciplinary hearings finalised</b>	None
--	------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015

Type of misconduct	Number	% of total
Theft	2	18%
Intimidation	1	9%
Dereliction of duties and responsibilities	3	27%
Prejudice the administration	2	18%
Abscondment	1	9%
Contravention of Children Act	1	9%
Negligence	1	9%
<b>Total</b>	<b>11</b>	<b>100%</b>

Table 3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015

Grievances	Number	% of Total
Number of grievances resolved	2	100%
Number of grievances not resolved	0	
<b>Total number of grievances lodged</b>	<b>2</b>	<b>100%</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

Table 3.12.6 Strike actions for the period 1 April 2014 and 31 March 2015

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

### 3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior Management Services: SL 13-16	Female	13	0	3	0	3
	Male	10	0	9	0	9
Middle Management Services: SL 9-12	Female	156	0	8	0	8
	Male	116	0	13	0	13
Professionals: SL 6-8	Female	1335	0	1012	0	1012
	Male	575	0	470	0	470
Clerical Services: SL 3-5	Female	324	0	130	0	130
	Male	140	0	48	0	48
Elementary Workers: SL 1-2	Female	128	0	2	0	2
	Male	75	0	1	0	1
Gender sub totals	Female	1956	0	1155	0	1155

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	916	0	541	0	541
<b>Total</b>		<b>2872</b>	<b>0</b>	<b>1696</b>	<b>0</b>	<b>1696</b>

Table 3.13.2 Training provided for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior Management Services: SL 13-16	Female	13	0	4	0	4
	Male	10	0	11	0	11
Middle Management Services: SL 9-12	Female	156	0	4	0	4
	Male	116	0	13	0	13
Professionals: SL 6-8	Female	1335	0	1127	0	1127
	Male	575	0	402	0	402

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerical Services: SL 3-5	Female	324	0	141	0	141
	Male	140	0	65	0	65
Elementary Workers: SL 2	Female	128	0	10	0	10
	Male	75	0	7	0	7
Gender sub totals	Female	1956	0	1286	0	1286
	Male	916	0	498	0	498
<b>Total</b>		<b>2872</b>	<b>0</b>	<b>1784</b>	<b>0</b>	<b>1784</b>

### 3.14 Injury on duty

**The following tables provide basic information on injury on duty.**

Table 3.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100%
Temporary Total Disablement	0	0

Nature of injury on duty	Number	% of total
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>3</b>	<b>100%</b>

### 3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None	None	None	None

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2014 and 31 March 2015

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	None	None	None

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

### 3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PART E:

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# FINANCIAL INFORMATION

## **Report of the auditor-general to the Limpopo provincial legislature on vote no. 12: Department of Social Development**

### **Report on the financial statements**

#### **Introduction**

1. I have audited the financial statements of the Department of Social Development set out on pages 181 to 255, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the department's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Social Development as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard and the requirements of the PFMA.

### **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Significant uncertainty**

8. With reference to note 17.1 to the financial statements, the department is the defendant in a legal claim amounting to R45 000 000 (2014: R45 000 000). The department is opposing these claims as it believes it has reasonable grounds to defend each claim. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### **Restatement of corresponding figures**

9. As disclosed in note 31.1 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during 2015 in the financial statements of the department at, and for the year ended, 31 March 2014.

### **Irregular expenditure**

10. As disclosed in note 22 to the financial statements, irregular expenditure to the amount of R14 520 000 (2014:R74 488 000) was incurred by the department due to the procurement of goods and services without following supply chain management regulations.

### **Fruitless and wasteful expenditure**

11. As disclosed in note 23 to the financial statements, fruitless and wasteful expenditure to the amount of R3 514 000 (2014:R7 222 000) was incurred due to payment of penalties and interest

### **Additional matter**

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Unaudited supplementary schedules**

13. The supplementary information set out on pages 256 to 271 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

### **Report on other legal and regulatory requirements**

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:
  - Programme 2: Social welfare services on pages 43 to 50
  - Programme 3: Child and family services on pages 50 to 59
  - Programme 4: Restorative services on pages 59 to 66
  - Programme 5: Development and research on pages 66 to 84
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. The material findings in respect of the selected programmes are as follows:

### **Usefulness of reported performance information**

20. I did not identify any material findings on the usefulness of the reported performance information for the following programmes:
  - Programme 2: Social welfare services
  - Programme 3: Child and family services
  - Programme 4: Restorative services

### **Programme 5: Development and research**

21. Performance indicators should be well-defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 29% of the indicators were not well-defined.

### **Reliability of reported performance information**

#### **Programme 2: Social welfare services and programme 3: Child and family services**

22. The FMPPI requires department's to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

#### **Programme 4: Restorative services**

23. I did not identify any material findings on the reliability of the reported performance information

### **Programme 5: Development and research**

24. The FMPPI requires department's to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance and monitoring of the completeness of source documentation in support of actual achievements and frequent review of the validity of reported achievements against source documentation.

## **Additional matters**

### **Achievement of planned targets**

25. Refer to the annual performance report on pages 43 to 84 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 21, 22 and 24 of this report.

### **Unaudited supplementary information**

26. The supplementary information set out on pages 84 to 95 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

### **Compliance with legislation**

27. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### **Strategic planning and performance management**

28. Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management was not maintained as required by section 38(1)(a)(i) of the PFMA.

### **Annual financial statements, performance and annual reports**

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA.

Material misstatements of non-current assets, current assets, current liabilities, disclosure items identified by the auditors in the submitted financial statement were

subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion

### **Procurement and contract management**

30. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by *Treasury Regulations* (TR) 16A6.1.

### **Human resource management and compensation**

31. Funded vacant posts were not filled within 12 months as required by *Public Service Regulation 1/VII/C.1A.2*.

### **Expenditure management**

32. Effective steps were not taken to prevent fruitless and wasteful as well as irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

### **Transfer of funds**

33. Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by TR 8.4.1.

### **Asset management**

34. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and TR 10.1.1(a).

### **Consequence management**

35. Effective and appropriate disciplinary steps were not taken against officials who made and permitted irregular expenditure as well as fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.3.

## **Internal control**

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

## **Leadership**

37. The oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not exercised.

## **Financial and performance management**

38. The financial statements and other information to be included in the annual report are not properly reviewed for accuracy and completeness by the accounting officer.

39. Proper record keeping was not implemented in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support performance reporting.

40. Compliance with laws and regulations was not properly monitored by the accounting officer.

## **Other reports**

## **Investigations**

The following investigations were in progress at the reporting date:

41. The department is investigating a number of allegations, amongst others, misappropriation of funds at NPOs. The outcome of these investigations will be available on or before 31 March 2016.

**Completed investigation:**

42. The department completed its investigation into the alleged procurement fraud involving a tender for a feeding scheme at the Place of Safety. The official involved was given a final written warning.

Auditor General  
Polokwane

31 July 2015



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*

# ANNUAL FINANCIAL STATEMENTS

Annual Report for 2014/15 Financial Year  
Vote 12: Department of Social Development  
Limpopo Province

Appropriation Statement Year Ended 31 March 2015

Appropriation per programme									
2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	268 326	2 624	-	270 950	257 913	13 037	95.2%	297 525	233 443
2. Social Welfare Services	319 334	18 864	-	338 198	332 896	5 302	98.4%	588 297	605 444
3. Children and Families	554 471	(8 812)	-	545 659	545 352	307	99.9%	273 526	260 305
4. Restorative Services	176 292	(14 103)	-	162 189	161 383	806	99.5%	63 126	57 814
5. Development and Support Services	156 193	1 427	-	157 620	156 234	1 386	99.1%	158 305	157 995
<b>Subtotal</b>	<b>1 474 616</b>	<b>-</b>	<b>-</b>	<b>1 474 616</b>	<b>1 453 778</b>	<b>20 838</b>	<b>98.6%</b>	<b>1 380 779</b>	<b>1 315 001</b>
<b>Statutory Appropriation</b>	<b>1 822</b>	<b>-</b>	<b>-</b>	<b>1 822</b>	<b>1 822</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Members' remuneration	1 822	-	-	1 822	1 822	-	100.0%	-	-
<b>TOTAL</b>	<b>1 476 438</b>	<b>-</b>	<b>-</b>	<b>1 476 438</b>	<b>1 455 600</b>	<b>20 838</b>	<b>98.6%</b>	<b>1 380 779</b>	<b>1 315 001</b>

2014/15					2013/14				
	Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure			
<b>ADD</b>									
Departmental receipts	1 706				1 368				
Aid assistance	14 669								
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>1 492 813</b>				<b>1 382 147</b>				
<b>ADD</b>									
Aid assistance		14 438							
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>1 470 038</b>							<b>1 315 001</b>

Annual Report for 2014/15 Financial Year  
Vote 12: Department of Social Development  
Limpopo Province

Appropriation Statement Year Ended 31 March 2015 Statutory Appropriation per economic classification									
2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 822</b>	-	-	<b>1 822</b>	<b>1 822</b>	-	<b>100.0%</b>	-	-
Compensation of employees	1 822	-	-	1 822	1 822	-	100.0%	-	-
<b>Total</b>	<b>1 822</b>	-	-	<b>1 822</b>	<b>1 822</b>	-	<b>100.0%</b>	-	-

Appropriation per economic classification									
2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>983 151</b>	<b>4 623</b>	-	<b>987 774</b>	<b>988 304</b>	<b>(530)</b>	<b>100.1%</b>	<b>879 110</b>	<b>907 265</b>
<b>Compensation of employees</b>	<b>758 754</b>	-	-	<b>758 754</b>	<b>762 643</b>	<b>(3 889)</b>	<b>100.5%</b>	<b>665 751</b>	<b>665 059</b>
Salaries and wages	661 223	(6 397)	-	654 826	657 593	(2 767)	100.4%	588 264	572 602
Social contributions	97 531	6 397	-	103 928	105 050	(1 122)	101.1%	77 487	92 457
<b>Goods and services</b>	<b>224 397</b>	<b>4 623</b>	-	<b>229 020</b>	<b>225 661</b>	<b>3 359</b>	<b>98.5%</b>	<b>213 359</b>	<b>242 206</b>
Administrative fees	1 394	(1 243)	-	151	147	4	97.4%	445	239
Advertising	1 763	1 341	-	3 104	2 589	515	83.4%	2 200	1 604
Minor assets	3 685	(1 128)	-	2 557	2 142	415	83.8%	5 370	3 351
Audit costs: External	5 541	(97)	-	5 444	5 444	-	100.0%	5 416	5 329
Bursaries: Employees	34	(3)	-	31	30	1	96.8%	-	-
Catering: Departmental activities	4 372	(368)	-	4 004	3 875	129	96.8%	2 980	1 931
Communication	7 435	43	-	7 478	7 257	221	97.0%	8 631	13 186
Computer services	2 745	4 160	-	6 905	5 902	1 003	85.5%	350	50
Consultants: Business and advisory services	138	-	-	138	137	1	99.3%	107	-
Legal services	405	(3)	-	402	401	1	99.8%	1 300	1 270
Contractors	13 314	(8 174)	-	5 140	-	5 140	0%	2 972	2 911
Agency and support / outsourced services	69 405	5 393	-	74 798	70 625	4 173	94.4%	74 557	78 328

*Annual Report for 2014/15 Financial Year*  
*Vote 12: Department of Social Development*  
*Limpopo Province*

*Appropriation Statement Year Ended 31 March 2015*

	30	-	30	-	30	140.7%	-	-
Entertainment	11 106	844	11 950	16 812	(4 862)	0%	12 555	-
Fleet services								15 824
Inventory: Clothing material and supplies	1 847	(268)	1 579	1 576	3	99.8%	1 048	687
Inventory: Food and food supplies	8 204	(740)	7 464	7 450	14	99.8%	4 331	4 958
Inventory: Fuel, oil and gas	88	(4)	84	83	1	98.8%	155	124
Inventory: Learner and teacher support material	1	(1)	-	-	-	0%	-	-
Inventory: Materials and supplies	459	(294)	165	2	163	1.2%	49	117
Inventory: Medical supplies	163	(2)	161	160	1	99.4%	115	106
Inventory: Other supplies	174	(174)	-	-	-	0%	-	-
Consumable supplies	6 281	595	6 876	6 878	(2)	100.0%	8 467	5 963
Consumable: Stationery, printing and office supplies	5 528	(801)	4 727	4 271	456	90.4%	5 659	4 161
Operating leases	2 580	(198)	2 382	1 791	591	75.2%	3 236	2 292
Property payments	35 274	5 393	40 667	46 415	(5 748)	114.1%	39 350	62 598
Transport provided: Departmental activity	837	(167)	670	642	28	95.8%	512	200
Travel and subsistence	26 676	547	27 223	26 739	484	98.2%	20 000	24 013
Training and development	8 853	(18)	8 835	8 614	221	97.5%	2 910	2 458
Operating payments	3 993	54	4 047	3 748	299	92.6%	8 822	9 123
Venues and facilities	1 176	33	1 209	1 103	106	91.2%	1 402	1 152
Rental and hiring	896	(97)	799	829	(30)	103.8%	420	231
<b>Transfers and subsidies</b>	<b>445 672</b>	<b>-</b>	<b>445 672</b>	<b>432 399</b>	<b>13 273</b>	<b>97.0%</b>	<b>406 419</b>	<b>374 960</b>
<b>Provinces and municipalities</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipalities	-	-	165	(165)	-	-	-	-
Municipal bank accounts	-	-	165	(165)	-	-	-	-
<b>Public corporations and private enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>32</b>
<b>Public corporations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>32</b>
Other transfers to public corporations	-	-	-	-	-	-	34	32
<b>Departmental agencies and accounts</b>	<b>5 072</b>	<b>-</b>	<b>5 072</b>	<b>5 006</b>	<b>66</b>	<b>98.7%</b>	<b>3 000</b>	<b>3 000</b>

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Departmental agencies and accounts	5 072	-	5 072	5 006	66	98.7%	3 000	3 000
Non-profit institutions	439 724	-	439 724	423 873	15 851	96.4%	397 820	367 091
<b>Households</b>	<b>876</b>	-	<b>876</b>	<b>3 355</b>	<b>(2 479)</b>	<b>383%</b>	<b>5 565</b>	<b>4 837</b>
Social benefits	876	-	876	3 077	(2 201)	351.3%	3 770	3 051
Other transfers to households	-	-	-	278	(278)		1 795	1 786
<b>Payments for capital assets</b>	<b>47 615</b>	<b>(4 623)</b>	<b>42 992</b>	<b>34 897</b>	<b>8 095</b>	<b>81.2%</b>	<b>95 250</b>	<b>32 776</b>
<b>Buildings and other fixed structures</b>	<b>30 000</b>	-	<b>30 000</b>	<b>20 529</b>	<b>9 471</b>	<b>68.4%</b>	<b>80 639</b>	<b>18 176</b>
Other fixed structures	30 000	-	30 000	20 529	9 471	68.4%	80 639	18 176
<b>Machinery and equipment</b>	<b>12 919</b>	<b>73</b>	<b>12 992</b>	<b>14 368</b>	<b>(1 376)</b>	<b>110.6%</b>	<b>14 611</b>	<b>14 600</b>
Transport equipment	6 250	(285)	5 965	5 887	78	98.7%	8 786	8 466
Other machinery and equipment	6 669	358	7 027	8 481	(1 454)	120.7%	5 825	6 134
Intangible assets	4 696	(4 696)	-	-	-	-	-	-
<b>TOTAL</b>	<b>1 476 438</b>	<b>-</b>	<b>1 476 438</b>	<b>1 455 600</b>	<b>20 838</b>	<b>98.6%</b>	<b>1 380 779</b>	<b>1 315 001</b>

Programme 1: Administration									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Office of the MEC	6 565	(2 340)	-	4 225	4 106	119	97.2%	-	-
2. Corporate Services	122 975	6 209	-	129 184	129 709	(525)	100.4%	176 559	112 492
3. District Management	138 786	(1 245)	-	137 541	124 098	13 443	90.2%	120 966	120 951
<b>Total</b>	<b>268 326</b>	<b>2 624</b>	<b>-</b>	<b>270 950</b>	<b>257 913</b>	<b>13 037</b>	<b>95.2%</b>	<b>297 525</b>	<b>233 443</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>222 012</b>	<b>7 097</b>	-	<b>229 109</b>	<b>223 161</b>	<b>5 948</b>	<b>97.4%</b>	<b>208 286</b>	<b>206 244</b>
<b>Compensation of employees</b>	<b>148 485</b>	-	-	<b>148 485</b>	<b>150 611</b>	<b>(2 126)</b>	<b>101.4%</b>	<b>143 072</b>	<b>142 938</b>
Salaries and wages	127 917	19	-	127 936	129 425	(1 489)	101.2%	126 166	123 450
Social contributions	20 568	(19)	-	20 549	21 186	(637)	103.1%	16 906	19 488
<b>Goods and services</b>	<b>73 527</b>	<b>7 097</b>	<b>-</b>	<b>80 624</b>	<b>72 550</b>	<b>8 074</b>	<b>90.0%</b>	<b>65 214</b>	<b>63 306</b>

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Administrative fees	540	(512)	-	28	30	(2)	107.1%	22	-
Advertising	164	995	-	1 159	663	496	57.2%	686	531
Minor assets	1 626	(713)	-	913	999	(86)	109.4%	1 144	638
Audit costs: External	5 541	(97)	-	5 444	5 444	-	100.0%	5 416	5 329
Bursaries: Employees	34	(3)	-	31	30	1	96.8%	-	-
Catering: Departmental activities	375	(23)	-	352	353	(1)	100.3%	346	169
Communication	6 127	48	-	6 175	5 958	217	96.5%	6 675	2 097
Computer services	2 667	4 161	-	6 828	5 825	1 003	85.3%	350	50
Consultants: Business and advisory services	138	-	-	138	137	1	99.3%	90	-
Legal services	405	(3)	-	402	401	1	99.8%	1 300	1 270
Contractors	4 609	(350)	-	4 259	-	4 259	-	2 972	2 911
Agency and support / outsourced services	-	-	-	-	-	-	-	70	68
Fleet services	5 367	107	-	5 474	9 065	(3 591)	165.6%	5 024	8 821
Inventory: Clothing material and supplies	28	(27)	-	1	-	1	0%	45	22
Inventory: Food and food supplies	20	(3)	-	17	16	1	94.1%	10	9
Inventory: Learner and teacher support material	1	(1)	-	-	-	-	-	-	-
Inventory: Materials and supplies	3	(1)	-	2	2	-	100.0%	-	-
Inventory: Other supplies	1	(1)	-	-	-	-	-	-	-
Consumable supplies	1 405	395	-	1 800	1 811	(11)	100.6%	2 156	1 518
Consumable: Stationery, printing and office supplies	1 168	(2)	-	1 166	1 162	4	99.7%	2 198	1 725
Operating leases	1 736	(180)	-	1 556	1 285	271	82.6%	2 455	1 083
Property payments	30 495	4 372	-	34 867	29 277	5 590	84.0%	14 757	21 425
Transport provided: Departmental activity	3	(3)	-	-	-	-	-	-	-
Travel and subsistence	7 925	(565)	-	7 360	7 439	(79)	101.1%	7 026	5 832
Training and development	2 086	(540)	-	1 546	1 546	-	100.0%	2 737	2 433
Operating payments	315	61	-	376	376	-	100.0%	8 693	6 607
Venues and facilities	702	1	-	703	703	-	100.0%	1 012	7 44
Rental and hiring	46	(19)	-	27	28	(1)	103.7%	30	24
<b>Transfers and subsidies</b>	<b>1 948</b>	<b>-</b>	<b>-</b>	<b>1 948</b>	<b>3 359</b>	<b>(1 411)</b>	<b>172.4%</b>	<b>3 599</b>	<b>3 364</b>
<b>Provinces and municipalities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Municipalities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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Municipal bank accounts	-	-	-	165	(165)	-	-	-
<b>Public corporations and private enterprises</b>	-	-	-	-	-	34	32	-
<b>Public corporations</b>	-	-	-	-	-	34	32	-
Other transfers to public corporations	-	-	-	-	-	34	32	-
<b>Departmental agencies and accounts</b>	1 072	-	-	1 652	(580)	-	-	-
Departmental agencies	1 072	-	-	1 652	(580)	-	-	-
<b>Households</b>	876	-	-	1 542	(666)	3 565	3 332	-
Social benefits	876	-	-	1 264	(388)	1 770	1 546	-
Other transfers to households	-	-	-	278	(278)	1 795	1 786	-
<b>Payments for capital assets</b>	44 366	(4 473)	-	31 393	8 500	85 640	23 835	-
<b>Buildings and other fixed structures</b>	30 000	-	-	20 529	9 471	80 639	18 176	-
Other fixed structures	30 000	-	-	20 529	9 471	80 639	18 176	-
<b>Machinery and equipment</b>	9 820	73	-	10 864	(971)	5 001	5 659	-
Transport equipment	4 350	(285)	-	4 008	57	2 650	2 551	-
Other machinery and equipment	5 470	358	-	6 856	(1 028)	2 351	3 108	-
Intangible assets	4 546	(4 546)	-	-	-	-	-	-
<b>TOTAL</b>	<b>268 326</b>	<b>2 624</b>	<b>-</b>	<b>257 913</b>	<b>13 037</b>	<b>297 525</b>	<b>233 443</b>	<b>-</b>

1.1 Sub Programme : Office of the MEC									
Economic classification	Adjusted Appropriation	2014/15			Variance	2013/14			Actual expenditure
		Shifting of Funds	Virement	Final Appropriation		Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
<b>Current payments</b>	<b>6 565</b>	<b>(2 340)</b>	<b>-</b>	<b>4 225</b>	<b>119</b>	<b>97.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compensation of employees	4 328	(1 300)	-	3 028	119	96.1%	-	-	-
Goods and services	2 237	(1 404)	-	1 197	-	100%	-	-	-
<b>Total</b>	<b>6 565</b>	<b>(2 340)</b>	<b>-</b>	<b>4 225</b>	<b>119</b>	<b>97.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>

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1.2 Sub Programme : Corporate Services									
Economic classification	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>80 486</b>	<b>10 682</b>	-	<b>91 168</b>	<b>98 888</b>	<b>(7 720)</b>	<b>108.5%</b>	<b>89 986</b>	<b>88 004</b>
Compensation of employees	50 455	1 199	-	51 654	52 700	(1 046)	102.3%	52 193	52 284
Goods and services	30 031	9 483	-	39 514	46 188	(6 674)	116.9%	37 793	35 720
<b>Transfers and subsidies</b>	<b>1 648</b>	-	-	<b>1 648</b>	<b>2 837</b>	<b>(1 189)</b>	<b>172.1%</b>	<b>2 479</b>	<b>2 333</b>
Departmental agencies and accounts	1 072	-	-	1 072	1 652	(580)	154.1%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	34	32
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	576	-	-	576	1 185	(609)	205.7%	2 445	2 301
<b>Payments for capital assets</b>	<b>40 841</b>	<b>(4 473)</b>	-	<b>36 368</b>	<b>27 984</b>	<b>8 384</b>	<b>76.9%</b>	<b>84 094</b>	<b>22 155</b>
Buildings and other fixed structures	30 000	-	-	30 000	20 529	9 471	68.4%	80 639	18 176
Machinery and equipment	6 295	73	-	6 368	7 455	(1 087)	117.1%	3 455	3 979
Intangible assets	4 546	(4 546)	-	-	-	-	-	-	-
<b>Total</b>	<b>122 975</b>	<b>6 209</b>	-	<b>129 184</b>	<b>129 709</b>	<b>(525)</b>	<b>100.4%</b>	<b>176 559</b>	<b>112 492</b>

1.3 Sub Programme : District Management									
Economic classification	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>134 961</b>	<b>(1 245)</b>	-	<b>133 716</b>	<b>120 167</b>	<b>13 549</b>	<b>89.9%</b>	<b>118 300</b>	<b>118 240</b>
Compensation of employees	93 702	101	-	93 803	95 002	(1 199)	101.3%	90 879	90 654
Goods and services	41 259	(1 346)	-	39 913	25 165	14 748	63.0%	27 421	27 586
<b>Transfers and subsidies</b>	<b>300</b>	-	-	<b>300</b>	<b>522</b>	<b>(222)</b>	<b>174%</b>	<b>1 120</b>	<b>1 031</b>
Provinces and municipalities	-	-	-	-	165	(165)	-	-	-
Households	300	-	-	300	357	(57)	119.0%	1 120	1 031
<b>Payments for capital assets</b>	<b>3 525</b>	-	-	<b>3 525</b>	<b>3 409</b>	<b>116</b>	<b>96.7%</b>	<b>1 546</b>	<b>1 680</b>

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Machinery and equipment	3 525	-	-	3 525	3 409	116	96.7%	1 546	1 680
<b>Total</b>	<b>138 786</b>	<b>(1 245)</b>	<b>-</b>	<b>137 541</b>	<b>124 098</b>	<b>13 443</b>	<b>90.2%</b>	<b>120 966</b>	<b>120 951</b>
<b>Programme 2: Social Welfare Services</b>									
	<b>2014/15</b>			<b>2013/14</b>					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Administration	124 005	34 903	-	158 908	162 042	(3 134)	102%	397 003	422 466
2. Services to Older Persons	49 826	(10 692)	-	39 134	39 115	19	100.0%	39 549	32 692
3. Services to Persons with Disabilities	46 480	(6 208)	-	40 272	39717	555	98.6%	39 609	38 996
4. HIV and AIDS	98 154	861	-	99 015	91 519	7 496	92.4%	111 711	110 868
5. Social Relief	869	-	-	869	503	366	57.9%	425	422
<b>Total for sub programmes</b>	<b>319 334</b>	<b>18 864</b>	<b>-</b>	<b>338 198</b>	<b>332 896</b>	<b>5 302</b>	<b>98.4%</b>	<b>588 297</b>	<b>605 444</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>205 235</b>	<b>15 164</b>	<b>-</b>	<b>220 399</b>	<b>219 517</b>	<b>882</b>	<b>99.6%</b>	<b>456 783</b>	<b>481 930</b>
<b>Compensation of employees</b>	<b>137 004</b>	<b>16 664</b>	<b>-</b>	<b>153 668</b>	<b>153 668</b>	<b>-</b>	<b>100.0%</b>	<b>378 163</b>	<b>378 999</b>
Salaries and wages	117 464	9 925	-	127 389	127 389	-	100.0%	333 190	325 753
Social contributions	19 540	6 739	-	26 279	26 279	-	100.0%	44 973	53 246
<b>Goods and services</b>	<b>68 231</b>	<b>(1 500)</b>	<b>-</b>	<b>66 731</b>	<b>65 849</b>	<b>882</b>	<b>98.7%</b>	<b>78 620</b>	<b>102 931</b>
Administrative fees	79	(46)	-	33	33	-	100.0%	138	64
Advertising	385	33	-	418	417	1	99.8%	89	33
Minor assets	383	(24)	-	359	356	3	99.2%	2 820	2 129
Catering: Departmental activities	587	(11)	-	576	574	2	99.7%	367	223
Communication	854	(2)	-	852	850	2	99.8%	1 326	8 414
Computer services	6	(6)	-	-	-	-	-	-	-
Contractors	5 800	(5 800)	-	-	-	-	-	-	-
Agency and support / outsourced services	36 818	3 617	-	40 435	36 519	3 916	90.3%	40 429	42 018
Fleet services	3 478	(3)	-	3 475	3 474	1	100.0%	3 507	4 577

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Inventory: Clothing material and supplies	1 612	(155)	-	1 457	1 456	1	99.9%	798	463
Inventory: Food and food supplies	2 148	(2)	-	2 146	2 137	3	99.9%	1 882	1 700
Inventory: Fuel, oil and gas	22	-	-	22	21	1	95.5%	60	55
Inventory: Materials and supplies	214	(214)	-	-	-	-	-	-	-
Inventory: Medical supplies	73	-	-	73	73	-	100.0%	86	86
Inventory: Other supplies	173	(173)	-	-	-	-	-	-	-
Consumable supplies	1 630	523	-	2 153	2 153	-	100.0%	3 573	2 501
Consumable: Stationery, printing and office supplies	1 660	(92)	-	1 568	1 566	2	99.9%	1 947	1 323
Operating leases	301	(16)	-	285	283	2	99.3%	250	150
Property payments	2 413	(7)	-	2 406	5 467	(3 061)	227.2%	16 065	28 998
Transport provided: Departmental activity	103	(7)	-	96	95	1	99.0%	-	-
Travel and subsistence	5 830	889	-	6 719	6 717	2	100.0%	5 198	8 681
Training and development	2 104	-	-	2 104	2 104	-	100.0%	(25)	-
Operating payments	1 190	1	-	1 191	1 191	-	100.0%	110	1 516
Venues and facilities	368	(5)	-	363	363	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>111 000</b>	<b>3 700</b>	-	<b>114 700</b>	<b>111 026</b>	<b>3 674</b>	<b>96.6%</b>	<b>126 064</b>	<b>118 217</b>
Non-profit institutions	111 000	3 700	-	114 700	109 968	4 731	95.9%	125 125	117 601
<b>Households</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 058</b>	<b>(1 058)</b>		<b>939</b>	<b>616</b>
Social benefits	-	-	-	-	1 058	(1 058)		939	616
<b>Payments for capital assets</b>	<b>3 099</b>	<b>-</b>	<b>-</b>	<b>3 099</b>	<b>2 353</b>	<b>746</b>	<b>75.9%</b>	<b>5 450</b>	<b>5 297</b>
<b>Machinery and equipment</b>	<b>3 099</b>	<b>-</b>	<b>-</b>	<b>3 099</b>	<b>2 353</b>	<b>746</b>	<b>75.9%</b>	<b>5 450</b>	<b>5 297</b>
Transport equipment	1 900	-	-	1 900	1 879	21	98.9%	3 000	2 984
Other machinery and equipment	1 199	-	-	1 199	474	725	39.5%	2 450	2 313
<b>Total</b>	<b>319 334</b>	<b>18 864</b>	<b>-</b>	<b>338 198</b>	<b>332 896</b>	<b>5 302</b>	<b>98.4%</b>	<b>588 297</b>	<b>605 444</b>

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2.1 Sub Programme : Administration									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2013/14	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
Economic classification									
Current payments	120 906	34 903	-	155 809	158 866	(3 057)	102.0%	391 284	416 831
Compensation of employees	104 992	34 151	-	139 143	139 143	-	100.0%	362 103	363 291
Goods and services	15 914	752	-	16 666	19 723	(3 057)	118.3%	29 181	53 540
Transfers and subsidies	-	-	-	-	823	(823)		469	401
Households	-	-	-	-	823	(823)		469	401
Payments for capital assets	3 099	-	-	3 099	2 353	746	75.9%	5 250	5 234
Machinery and equipment	3 099	-	-	3 099	2353	746	75.9%	5 250	5 234
Total	124 005	34 903	-	158 908	162 042	(3 134)	102%	397 003	422 466

2.2 Sub Programme : Services to Older Persons									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2013/14	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
<b>Economic classification</b>									
<b>Current payments</b>	<b>18 826</b>	<b>(4 176)</b>		<b>14 650</b>	<b>14 374</b>	<b>276</b>	<b>98.1%</b>	<b>12 501</b>	<b>12 295</b>
Compensation of employees	15 424	(3 419)	-	12 005	12 005	-	100.0%	11 196	11 033
Goods and services	3 402	(757)	-	2 645	2 369	276	89.6%	1 305	1 262
<b>Transfers and subsidies</b>	<b>31 000</b>	<b>(6 516)</b>	-	<b>24 484</b>	<b>24 741</b>	<b>(257)</b>	<b>101.0%</b>	<b>26 848</b>	<b>20 334</b>
Non-profit institutions	31 000	(6 516)	-	24 484	24 547	(63)	100.3%	26 378	20 119
Households	-	-	-	-	194	(194)		470	215
<b>Payments for capital assets</b>								<b>200</b>	<b>63</b>
Machinery and equipment								200	63
<b>Total</b>	<b>49 826</b>	<b>(10 692)</b>	-	<b>39 134</b>	<b>39 115</b>	<b>19</b>	<b>100.0%</b>	<b>39 549</b>	<b>32 692</b>

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2.3 Sub Programme : Services to the Persons with Disabilities									
Economic classification	2014/15				2013/14				Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>32 480</b>	<b>(7 001)</b>	-	<b>25 479</b>	<b>25 549</b>	<b>(70)</b>	<b>100.3%</b>	<b>24 877</b>	<b>24 877</b>
Compensation of employees	11 444	(11 444)	-	-	-	-	-	642	644
Goods and services	21 036	4 443	-	25 479	25 549	(70)	100.3%	24 235	24 233
<b>Transfers and subsidies</b>	<b>14 000</b>	<b>793</b>	-	<b>14 793</b>	<b>14 168</b>	<b>625</b>	<b>95.8%</b>	<b>14 732</b>	<b>14 119</b>
Provinces and municipalities									
Non-profit institutions	14 000	793	-	14 793	14 168	625	95.8%	14 732	14 119
<b>Total</b>	<b>46 480</b>	<b>(6 208)</b>	-	<b>40 272</b>	<b>39 717</b>	<b>555</b>	<b>98.6%</b>	<b>39 609</b>	<b>38 996</b>
2.4 Sub Programme : HIV and AIDS									
Economic classification	2014/15				2013/14				Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>32 154</b>	<b>(8 562)</b>	-	<b>23 592</b>	<b>20 225</b>	<b>3 367</b>	<b>85.7%</b>	<b>27 696</b>	<b>27 505</b>
Compensation of employees	5 144	(2 624)	-	2 520	2 520	-	100.0%	4 222	4 031
Goods and services	27 010	(5 938)	-	21 072	17 705	3 367	84%	23 474	23 474
<b>Transfers and subsidies</b>	<b>66 000</b>	<b>9 423</b>	-	<b>75 423</b>	<b>71 294</b>	<b>4 129</b>	<b>94.5%</b>	<b>84 015</b>	<b>83 363</b>
Non-profit institutions	66 000	9 423	-	75 423	71 253	4 170	94.5%	84 015	83 363
Households	-	-	-	-	41	(41)	-	-	-
<b>Total</b>	<b>98 154</b>	<b>861</b>	-	<b>99 015</b>	<b>91 519</b>	<b>7 496</b>	<b>92.4%</b>	<b>111 711</b>	<b>110 868</b>

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2.5 Sub Programme : Social Relief							
	2014/15				2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
<b>Current payments</b>	<b>869</b>	<b>-</b>	<b>-</b>	<b>869</b>	<b>503</b>	<b>366</b>	<b>57.9%</b>
Goods and services	869	-	-	869	503	366	57.9%
<b>Payments for financial assets</b>							
<b>Total</b>	<b>869</b>	<b>-</b>	<b>-</b>	<b>869</b>	<b>503</b>	<b>366</b>	<b>57.9%</b>
						<b>425</b>	<b>422</b>

Programme 3: Children and Families							
	2014/15				2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
<b>Sub programme</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
1. Administration	221 985	(2 879)	-	219 106	220 911	(1 805)	100.8%
2. Care and Services to Families	14 679	251	-	14 930	14 649	281	98.1%
3. Child Care and Protection	8 188	(873)	-	7 315	6 923	392	94.6%
4. ECD and Partial Care	227 000	(3 727)	-	223 273	222 508	765	99.7%
5. Child and Youth Care	52 619	324	-	52 943	52 722	221	99.6%
6. Community Based Care Services for Children	30 000	(1 908)	-	28 092	27 639	453	98.4%
<b>Total for sub programmes</b>	<b>554 471</b>	<b>(8 812)</b>	<b>-</b>	<b>545 659</b>	<b>545 352</b>	<b>307</b>	<b>99.9%</b>
						<b>273 526</b>	<b>260 305</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>267 471</b>	<b>(5 112)</b>	<b>-</b>	<b>262 359</b>	<b>262 717</b>	<b>(358)</b>	<b>100.1%</b>
<b>Compensation of employees</b>	<b>246 605</b>	<b>(2 561)</b>	<b>-</b>	<b>244 044</b>	<b>242 575</b>	<b>1 469</b>	<b>99.4%</b>
Salaries and wages	216 578	(3 955)	-	212 623	211 856	767	99.6%
Social contributions	30 027	1 394	-	31 421	30 719	702	97.8%
<b>Goods and services</b>	<b>20 866</b>	<b>(2 551)</b>	<b>-</b>	<b>18 315</b>	<b>20 142</b>	<b>(1 827)</b>	<b>110%</b>
Administrative fees	265	(185)	-	80	80	-	100%
Advertising	317	229	-	546	545	1	99.8%
Minor assets	554	(51)	-	503	502	1	99.8%
Catering: Departmental activities	1 191	(24)	-	1 167	1 165	2	99.8%
Communication	452	(3)	-	449	448	1	99.8%
						<b>1 459</b>	<b>1 025</b>
						<b>375</b>	<b>331</b>

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Contractors	85	(4)	-	81	-	81	0%	-	-
Agency and support / outsourced services	3	(3)	-	-	-	-	-	6	5
Fleet services	365	9	-	374	372	2	99.5%	281	230
Inventory: Clothing material and supplies	122	(21)	-	101	101	-	100%	185	185
Inventory: Food and food supplies	4 467	(733)	-	3 734	3 733	1	100%	2 423	3 244
Inventory: Fuel, oil and gas	66	(4)	-	62	62	-	100%	95	69
Inventory: Materials and supplies	240	(79)	-	161	-	161	0%	27	39
Inventory: Medical supplies	90	(2)	-	88	87	1	98.9%	29	20
Consumable supplies	2 813	(912)	-	1 901	1 902	(1)	100.1%	1 800	1 656
Consumable: Stationery, printing and office supplies	1 708	(971)	-	737	735	2	99.7%	902	794
Operating leases	190	(2)	-	188	22	166	11.7%	224	220
Property payments	2 208	206	-	2 414	4 899	(2 485)	202.9%	1 577	1 350
Transport provided:									
Departmental activity	143	(11)	-	132	132	-	100.0%	83	42
Travel and subsistence	4 561	158	-	4 719	4 717	2	100.0%	1 568	1 582
Training and development	5	(2)	-	3	2	1	66.7%	24	-
Operating payments	1 005	(144)	-	861	624	237	72.5%	9	59
Rental and hiring	16	(2)	-	14	14	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>287 000</b>	<b>(3 700)</b>	-	<b>283 300</b>	<b>282 269</b>	<b>1 031</b>	<b>99.6%</b>	<b>228 771</b>	<b>216 429</b>
Provinces and municipalities									
Municipalities									
Municipal bank accounts									
Non-profit institutions	287 000	(3 700)	-	283 300	281 840	1 460	99.5%	228 010	215 679
Households	-	-	-	-	429	(429)		761	750
Social benefits	-	-	-	-	429	(429)		761	750
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>366</b>	<b>(366)</b>	<b>-</b>	<b>2 651</b>	<b>2 135</b>
<b>Machinery and equipment</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>366</b>	<b>(366)</b>	<b>-</b>	<b>2 651</b>	<b>2 135</b>
Transport equipment	-	-	-	-	-	-	-	1 700	1 674
Other machinery and equipment	-	-	-	-	366	(366)	-	951	461
<b>Total</b>	<b>554 471</b>	<b>(8 812)</b>	-	<b>545 659</b>	<b>545 352</b>	<b>307</b>	<b>99.9%</b>	<b>273 526</b>	<b>260 305</b>

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3.1 Sub Programme : Administration									
2014/15					2013/14				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>221 985</b>	<b>(2 879)</b>	-	<b>219 106</b>	<b>220 674</b>	<b>(1 568)</b>	<b>100.7%</b>	-	-
Compensation of employees	217 005	(3 055)	-	213 950	212 872	1 078	99.5%	-	-
Goods and services	4 980	176	-	5 156	7 802	(2 646)	151.3%	-	-
<b>Transfers and subsidies</b>	-	-	-	-	<b>37</b>	<b>(37)</b>		-	-
Households	-	-	-	-	37	(37)		-	-
<b>Payments for capital assets</b>	-	-	-	-	<b>200</b>	<b>(200)</b>	-	-	-
Machinery and equipment	-	-	-	-	200	(200)	-	-	-
<b>Payments for financial assets</b>									
<b>Total</b>	<b>221 985</b>	<b>(2 879)</b>	-	<b>219 106</b>	<b>220 911</b>	<b>(1 805)</b>	<b>100.8%</b>	-	-

3.2 Sub Programme : Care and Service to Families									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2013/14	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
Economic classification									
Current payments	679	(280)	-	399	159	240	39.8%	1 781	1 418
Goods and services	679	(280)	-	399	159	240	39.8%	781	463
Transfers and subsidies	14 000	531	-	14 531	14 490	41	99.7%	11 329	9 135
Provinces and municipalities									
Non-profit institutions	14 000	531	-	14 531	14 490	41	99.7%	10 699	8 516
Payments for capital assets	-	-	-	-	-	-	-	24	23
Machinery and equipment	-	-	-	-	-	-	-	24	23
Total	14 679	251	-	14 930	14 649	281	98.1%	13 134	10 576

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3.3 Sub Programme : Child and Care Protection									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>8 188</b>	<b>(873)</b>	-	<b>7 315</b>	<b>6 923</b>	<b>392</b>	<b>94.6%</b>	<b>40 323</b>	<b>40 323</b>
Compensation of employees	5 017	-	-	5 017	4 626	391	92.2%	28 835	28 838
Goods and services	3 171	(873)	-	2 298	2 297	1	100.0%	11 688	11 485
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217 442</b>	<b>207 294</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	217 311	207 163
Households	-	-	-	-	-	-	-	131	131
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 627</b>	<b>2 112</b>
Machinery and equipment	-	-	-	-	-	-	-	2 627	2 112
<b>Total</b>	<b>8 188</b>	<b>(873)</b>	<b>-</b>	<b>7 315</b>	<b>6 923</b>	<b>392</b>	<b>94.6%</b>	<b>260 392</b>	<b>249 729</b>

3.4 Sub Programme : ECD and Partial Care									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>227 000</b>	<b>(3 727)</b>	-	<b>223 273</b>	<b>222 508</b>	<b>765</b>	<b>99.7%</b>	<b>-</b>	<b>-</b>
Non-profit institutions	227 000	(3 727)	-	223 273	222 508	765	99.7%	-	-
<b>Total</b>	<b>227 000</b>	<b>(3 727)</b>	<b>-</b>	<b>223 273</b>	<b>222 508</b>	<b>765</b>	<b>99.7%</b>	<b>-</b>	<b>-</b>

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3.5 Sub Programme : Child and Youth Care							2013/14	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Current payments</b>	<b>33 619</b>	<b>348</b>	-	<b>33 967</b>	<b>33 395</b>	<b>572</b>	<b>98.3%</b>	-
Compensation of employees	24 583	494	-	25 077	25 077	-	100.0%	-
Goods and services	9 036	(146)	-	8 890	8 318	572	93.6%	-
<b>Transfers and subsidies</b>	<b>19 000</b>	<b>(24)</b>	-	<b>18 976</b>	<b>19 161</b>	<b>(185)</b>	<b>101.0%</b>	-
Non-profit institutions	19 000	(24)	-	18 976	18 769	207	98.9%	-
Households	-	-	-	-	392	(392)	100.0%	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>166</b>	<b>(166)</b>	<b>-</b>	-
Machinery and equipment	-	-	-	-	166	(166)	-	-
<b>Total</b>	<b>52 619</b>	<b>324</b>	<b>-</b>	<b>52 943</b>	<b>52 722</b>	<b>221</b>	<b>99.6%</b>	<b>-</b>

3.6 Sub Programme : Community Based Care services for Children							2013/14	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Current payments</b>	<b>3 000</b>	<b>(1 428)</b>	-	<b>1 572</b>	<b>1 566</b>	<b>6</b>	<b>99.6%</b>	-
Goods and services	3 000	(1 428)	-	1 572	1 566	6	99.6%	-
<b>Transfers and subsidies</b>	<b>27 000</b>	<b>(480)</b>	-	<b>26 520</b>	<b>26 073</b>	<b>447</b>	<b>98.3%</b>	-
Provinces and municipalities				26 520	26 073	447	98.3%	-
Non-profit institutions	27 000	(480)	-					-
<b>Total</b>	<b>30 000</b>	<b>(1 908)</b>	<b>-</b>	<b>28 092</b>	<b>27 639</b>	<b>453</b>	<b>98.4%</b>	<b>-</b>

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Programme 4 : Restorative Services										
	2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Final expenditure	Actual
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>										
1. Administration	111 644	(13 265)	-	98 379	102 032	(3 653)	103.7%	-	-	-
2. Crime Prevention and Support	36 364	1 755	-	38 119	35 873	2 246	94.1%	40 713	38 700	
3. Victim Empowerment	20 540	(1 206)	-	19 334	18 292	1 042	94.6%	15 537	13 783	
4. Substance Abuse, Prevention and rehabilitation	7 744	(1 387)	-	6 357	5 186	1 171	81.6%	6 876	5 331	
<b>Total</b>	<b>176 292</b>	<b>(14 103)</b>	<b>-</b>	<b>162 189</b>	<b>161 383</b>	<b>806</b>	<b>99.5%</b>	<b>63 126</b>	<b>57 814</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>155 930</b>	<b>(14 103)</b>	<b>-</b>	<b>141 827</b>	<b>143 583</b>	<b>(1 756)</b>	<b>101.2%</b>	<b>43 304</b>	<b>43 228</b>	
<b>Compensation of employees</b>	<b>115 744</b>	<b>(14 103)</b>	<b>-</b>	<b>101 641</b>	<b>97 478</b>	<b>4 163</b>	<b>95.9%</b>	<b>9 147</b>	<b>6 951</b>	
Salaries and wages	99 107	(11 845)	-	87 262	85 638	1 624	98.1%	8 539	6 163	
Social contributions	16 637	(2 258)	-	14 379	11 840	2 539	82.3%	608	788	
<b>Goods and services</b>	<b>40 186</b>	<b>-</b>	<b>-</b>	<b>40 186</b>	<b>46 105</b>	<b>( 5 919)</b>	<b>114.7%</b>	<b>34 157</b>	<b>36 277</b>	
Administrative fees	-	-	-	-	-	-	-	17	-	
Advertising	371	(88)	-	283	281	2	99.3%	51	11	
Minor assets	803	(141)	-	662	200	462	30.2%	31	96	
Catering: Departmental activities	577	(91)	-	486	472	14	97.1%	67	46	
Contractors	2 713	(1 926)	-	787	-	787	-	-	-	
Agency and support / outsourced services	31 369	1 779	-	33 148	33 606	(458)	101.4%	32 066	34 404	
Fleet services	-	-	-	-	1 408	(1 408)	-	-	-	
Inventory: Clothing material and supplies	30	(30)	-	-	-	-	-	-	-	
Inventory: Food and food supplies	17	(2)	-	15	14	1	93.3%	16	5	
Consumable supplies	326	410	-	736	736	-	100.0%	266	53	
Consumable: Stationery, printing and office supplies	427	365	-	792	417	375	52.7%	134	35	
Property payments	-	100	-	100	6 105	(6 005)	6105.0%	200	456	
Travel and subsistence	3 217	(588)	-	2 629	2 320	309	88.2%	1 215	1 146	
Training and development	336	(46)	-	290	289	1	99.7%	94	25	
Operating payments	-	221	-	221	220	1	99.5%	-	-	

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Venues and facilities	-	37	-	37	37	-	100.0%	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>20 362</b>	<b>-</b>	<b>-</b>	<b>20 362</b>	<b>17 015</b>	<b>3 347</b>	<b>83.6%</b>	<b>18 313</b>	<b>13 077</b>
<b>Provinces and municipalities</b>									
Provinces									
Municipalities									
Municipal bank accounts									
Non-profit institutions	20 362	-	-	20 362	16 689	3 673	82%	18 313	13 077
Households	-	-	-	-	326	(326)	-	-	-
Social benefits	-	-	-	-	326	(326)	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785</b>	<b>(785)</b>	<b>-</b>	<b>1 509</b>	<b>1 509</b>
<b>Machinery and equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785</b>	<b>(785)</b>	<b>-</b>	<b>1 509</b>	<b>1 509</b>
Transport equipment	-	-	-	-	-	-	-	1 436	1 257
Other machinery and equipment	-	-	-	-	785	(785)	-	73	252
<b>Total</b>	<b>176 292</b>	<b>(14 103)</b>	<b>-</b>	<b>162 189</b>	<b>161 383</b>	<b>806</b>	<b>99.5%</b>	<b>63 126</b>	<b>57 814</b>

4.1 Sub Programme : Administration									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>111 644</b>	<b>(13 265)</b>	<b>-</b>	<b>98 379</b>	<b>101 706</b>	<b>(3 327)</b>	<b>103.4%</b>	<b>-</b>	<b>-</b>
Compensation of employees	110 744	(14 103)	-	96 641	92 579	4 062	95.8%	-	-
Goods and services	900	838	-	1 738	9 127	(7 389)	525.1%	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>(326)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	-	-	-	326	(326)	-	-	-
<b>Total</b>	<b>111 644</b>	<b>(13 265)</b>	<b>-</b>	<b>98 379</b>	<b>102 032</b>	<b>(3 653)</b>	<b>103.7%</b>	<b>-</b>	<b>-</b>

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4.2 Sub Programme : Crime Prevention and Support									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>32 389</b>	<b>1 755</b>	-	<b>34 144</b>	<b>34 597</b>	<b>(453)</b>	<b>101.3%</b>	<b>36 424</b>	<b>36 424</b>
Compensation of employees	-	-	-	-	-	-	-	3 083	955
Goods and services	32 389	1 755	-	34 144	34 597	(453)	101.3%	33 341	35 469
<b>Transfers and subsidies</b>	<b>3 975</b>	-	-	<b>3 975</b>	<b>1 276</b>	<b>2 699</b>	<b>32.1%</b>	<b>4 289</b>	<b>2 276</b>
Non-profit institutions	3 975	-	-	3 975	1 276	2 699	32.1%	4 289	2 276
<b>Total</b>	<b>36 364</b>	<b>1 755</b>	-	<b>38 119</b>	<b>35 873</b>	<b>2 246</b>	<b>94.1%</b>	<b>40 713</b>	<b>38 700</b>

4.3 Sub Programme : Victim Empowerment									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>8 200</b>	<b>(1 206)</b>	-	<b>6 994</b>	<b>5 948</b>	<b>1 046</b>	<b>85.0%</b>	<b>5 848</b>	<b>5 772</b>
Compensation of employees	5 000	-	-	5 000	4 899	101	98.0%	5 444	5 368
Goods and services	3 200	(1 206)	-	1 994	1 049	945	52.6%	404	404
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>12 340</b>	-	-	<b>12 340</b>	<b>11 865</b>	<b>475</b>	<b>96.2%</b>	<b>9 689</b>	<b>8 011</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	12 340	-	-	12 340	11 865	475	96.2%	9 689	8 011
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>479</b>	<b>(479)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	-	-	-	-	479	(479)	-	-	-
<b>Total</b>	<b>20 540</b>	<b>(1 206)</b>	-	<b>19 334</b>	<b>18 292</b>	<b>1 042</b>	<b>94.6%</b>	<b>15 537</b>	<b>13 783</b>

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4.4 Sub Programme : Substance Abuse, Prevention and Rehabilitation									
2014/15					2013/14				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 697</b>	<b>(1 387)</b>	-	<b>2 310</b>	<b>1 332</b>	<b>978</b>	<b>57.7%</b>	<b>1 032</b>	<b>1 032</b>
Compensation of employees	-	-	-	-	-	-	-	620	620
Goods and services	3 697	(1 387)	-	2 310	1 332	978	57.7%	412	404
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>4 047</b>	-	-	<b>4 047</b>	<b>3 548</b>	<b>499</b>	<b>87.7%</b>	<b>4 335</b>	<b>2 790</b>
Provinces and municipalities									
Non-profit institutions	4 047	-	-	4 047	3 548	499	87.7%	4 335	2 790
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306</b>	<b>(306)</b>	<b>-</b>	<b>1 509</b>	<b>1 509</b>
Machinery and equipment	-	-	-	-	306	(306)	-	1 509	1 509
<b>Total</b>	<b>7 744</b>	<b>(1 387)</b>	<b>-</b>	<b>6 357</b>	<b>5 186</b>	<b>1 171</b>	<b>81.6%</b>	<b>6 876</b>	<b>5 331</b>

Programme 5: Development and Support Services									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2013/14	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management and Support	108 591	3 841	-	112 432	118 832	(6 400)	105.7%	105 557	111 890
2. Community Mobilisation	2 620	(730)	-	1 890	1 886	4	99.8%	-	-
3. Institutional Capacity Building and Support	10 236	(1 033)	-	9 203	4 935	4 268	53.6%	14 398	12 619
4. Poverty Alleviation and Sustainable Livelihoods	18 450	(692)	-	17 758	15 967	1 791	89.9%	29 340	2 579
									5
									7
									1
									1
5. Community Based Research and Planning	60	-	-	60	-	60	-	1 626	1 212
6. Youth Development	9 656	(413)	-	9 243	8 664	579	93.7%	3 064	2 286

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7. Women Development	1 000	575	-	1 575	1 514	61	96.1%	-	-
8. Population Policy Promotion	5 580	(121)	-	5 459	4 436	1 023	81.3%	4 320	4 277
<b>Total for sub programmes</b>	<b>156 193</b>	<b>1 427</b>	<b>-</b>	<b>157 620</b>	<b>156 234</b>	<b>1 386</b>	<b>99.1%</b>	<b>158 305</b>	<b>157 995</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>130 681</b>	<b>1 577</b>	<b>-</b>	<b>132 258</b>	<b>137 504</b>	<b>(5 246)</b>	<b>104.0%</b>	<b>128 633</b>	<b>134 122</b>
Compensation of employees	109 094	-	-	109 094	116 489	(7 395)	106.8%	105 734	106 378
Salaries and wages	98 335	(541)	-	97 794	101 463	(3 669)	103.8%	93 298	92 265
Social contributions	10 759	541	-	11 300	15 026	(3 726)	133.0%	12 436	14 113
Goods and services	21 587	1 577	-	23 164	21 015	2 149	90.7%	22 899	27 744
Administrative fees	510	(500)	-	10	4	6	40.0%	40	8
Advertising	526	172	-	698	683	15	97.9%	718	527
Minor assets	319	(199)	-	120	84	36	70.0%	874	60
Catering: Departmental activities	1 642	(219)	-	1 423	1 311	112	92.1%	741	468
Communication	2	-	-	2	1	1	50.0%	255	2 344
Computer services	72	5	-	77	77	-	100.0%	-	-
Contractors	107	(94)	-	13	-	13	-	-	-
Agency and support / outsourced services	1 215	-	-	1 215	500	715	41.2%	1 986	1 833
Entertainment	30	-	-	30	-	30	0%	-	-
Fleet services	1 896	731	-	2 627	2 493	134	94.9%	3 743	2 196
Inventory: Clothing material and supplies	55	(35)	-	20	19	1	95.0%	20	17
Inventory: Farming supplies									
Inventory: Food and food supplies	1 552	-	-	1 552	1 550	2	99.9%	-	-
Inventory: Materials and supplies	2	-	-	2	-	2	-	22	78
Consumable supplies	107	179	-	286	276	10	96.5%	672	235
Consumable: Stationery, printing and office supplies	565	(101)	-	464	391	73	84.3%	478	284
Operating leases	353	-	-	353	201	152	56.9%	307	839
Property payments	158	722	-	880	667	213	75.8%	6 751	10 369
Transport provided:									
Departmental activity	588	(146)	-	442	415	27	93.9%	429	158
Travel and subsistence	5 143	653	-	5 796	5 546	250	95.7%	4 993	6 772
Training and development	4 322	570	-	4 892	4 673	219	95.5%	80	-
Operating payments	1 483	(85)	-	1 398	1 337	61	95.6%	10	941

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Venues and facilities	106	-	106	-	106	-	106	-	390	408
Rental and hiring	834	(76)	758	-	787	-	(29)	103.8%	390	207
<b>Transfers and subsidies</b>	<b>25 362</b>	<b>-</b>	<b>25 362</b>	<b>-</b>	<b>18 730</b>	<b>6 632</b>	<b>73.9%</b>	<b>23 873</b>	<b>29 672</b>	<b>23 873</b>
Departmental agencies and accounts	4 000	-	4 000	-	3 354	646	83.9%	3 000	3 000	3 000
Social security funds										
Departmental agencies	4 000	-	4 000	-	3 354	646	83.9%	3 000	3 000	3 000
Non-profit institutions	21 362	-	21 362	-	15 376	5 986	72.0%	20 734	26 372	20 734
Households	-	-	-	-	-	-	-	-	300	139
Social benefits	-	-	-	-	-	-	-	-	300	139
<b>Payments for capital assets</b>	<b>150</b>	<b>(150)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Intangible assets	150	(150)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>156 193</b>	<b>1 427</b>	<b>157 620</b>	<b>-</b>	<b>156 234</b>	<b>1 386</b>	<b>99.1%</b>	<b>158 305</b>	<b>157 995</b>	<b>157 995</b>

5.1 Sub Programme : Management and Support										
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	2014/15			2013/14			
				Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
<b>Current payments</b>	<b>104 591</b>	<b>3 841</b>	<b>-</b>	<b>108 432</b>	<b>115 478</b>	<b>(7 046)</b>	<b>106.5%</b>	<b>102 257</b>	<b>108 751</b>	
Compensation of employees	96 791	1 670	-	98 461	105 856	(7 395)	107.5%	93 032	99 646	
Goods and services	7 800	2 171	-	9 971	9 622	349	96.5%	9 225	9 105	
<b>Transfers and subsidies</b>	<b>4 000</b>	<b>-</b>	<b>-</b>	<b>4 000</b>	<b>3 354</b>	<b>646</b>	<b>83.9%</b>	<b>3 300</b>	<b>3 139</b>	
Provinces and municipalities										
Departmental agencies and accounts	4 000	-	-	4 000	3 354	646	83.9%	3 000	3 000	
Households	-	-	-	-	-	-	-	300	139	
<b>Total</b>	<b>108 591</b>	<b>3 841</b>	<b>-</b>	<b>112 432</b>	<b>118 832</b>	<b>(6 400)</b>	<b>105.7%</b>	<b>105 557</b>	<b>111 890</b>	

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5.2 Sub Programme: Community Mobilization									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 620	(730)	-	1 890	1 886	4	99.8%	-	-
Goods and services	2 620	(730)	-	1 890	1 886	4	99.8%	-	-
Payments for financial assets									
Total	2 620	(730)	-	1 890	1 886	4	99.8%	-	-

5.3 Sub Programme: Institutional Capacity Building and Support									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 464	(1 033)	-	2 431	2 187	244	90.0%	3 813	3 711
Compensation of employees	2 263	(517)	-	1 746	1 746	-	100.0%	2 312	2 214
Goods and services	1 201	(516)	-	685	441	244	64.4%	1 501	1 497
Transfers and subsidies									
Provinces and municipalities	6 772	-	-	6 772	2 748	4 024	40.6%	10 585	8 908
Non-profit institutions	6 772	-	-	6 772	2 748	4 024	40.6%	10 585	8 908
Total	10 236	(1 033)	-	9 203	4 935	4 268	53.6%	14 398	12 619

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5.4 Sub Programme: Poverty Alleviation and Sustainable livelihoods									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5 160</b>	<b>(692)</b>	-	<b>4 468</b>	<b>4 289</b>	<b>179</b>	<b>96.0%</b>	<b>14 853</b>	<b>14 435</b>
Compensation of employees	3 000	(692)	-	2 308	2 308	-	100.0%	5 717	730
Goods and services	2 160	-	-	2 160	1 981	179	91.7%	9 136	13 705
<b>Transfers and subsidies</b>	<b>13 290</b>	<b>-</b>	<b>-</b>	<b>13 290</b>	<b>11 678</b>	<b>1 612</b>	<b>87.9%</b>	<b>14 487</b>	<b>11 276</b>
Provinces and municipalities									
Non-profit institutions	13 290	-	-	13 290	11 678	1 612	87.9%	14 487	11 276
<b>Payments for financial assets</b>									
<b>Total</b>	<b>18 450</b>	<b>(692)</b>	<b>-</b>	<b>17 758</b>	<b>15 967</b>	<b>1 791</b>	<b>89.9%</b>	<b>29 340</b>	<b>25 711</b>

5.5 Sub Programme: Community Based Research and Planning									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>1 626</b>	<b>1 212</b>
Compensation of employees								323	-
Goods and services	60	-	-	60	-	60	-	1 303	1 212
<b>Total</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>1 626</b>	<b>1 212</b>

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5.6 Sub Programme: Youth Development									
	Adjusted Appropriation	Shifting of Funds	Virement	2014/15			2013/14		
				Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>8 356</b>	<b>(413)</b>	-	<b>7 943</b>	<b>7 714</b>	<b>229</b>	<b>97.1%</b>	<b>1 764</b>	<b>1 736</b>
Compensation of employees	4 000	(413)	-	3 587	3 587	-	100.0%	904	884
Goods and services	4 356	-	-	4 356	4 127	229	94.7%	860	852
<b>Transfers and subsidies</b>	<b>1 300</b>	<b>-</b>	<b>-</b>	<b>1 300</b>	<b>950</b>	<b>350</b>	<b>73.1%</b>	<b>1 300</b>	<b>550</b>
Provinces and municipalities									
Non-profit institutions	1 300	-	-	1 300	950	350	73.1%	1 300	550
<b>Payments for financial assets</b>									
<b>Total</b>	<b>9 656</b>	<b>(413)</b>	<b>-</b>	<b>9 243</b>	<b>8 664</b>	<b>579</b>	<b>93.7%</b>	<b>3 064</b>	<b>2 286</b>

5.7 Sub Programme: Women Development									
	Adjusted Appropriation	Shifting of Funds	Virement	2014/15			2013/14		
				Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>1 000</b>	<b>575</b>	-	<b>1 575</b>	<b>1 514</b>	<b>61</b>	<b>96.1%</b>	<b>-</b>	<b>-</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 000	575	-	1 575	1 514	61	96.1%	-	-
<b>Total</b>	<b>1 000</b>	<b>575</b>	<b>-</b>	<b>1 575</b>	<b>1 514</b>	<b>61</b>	<b>96.1%</b>	<b>-</b>	<b>-</b>

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5.8 Sub Programme: Population Policy Promotion									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2013/14	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
Economic classification									
Current payments	5 430	29	-	5 459	4 436	1 023	81.3%	4 320	4 277
Compensation of employees	3 040	(48)	-	2 992	2 992	-	100.0%	3 446	2 904
Goods and services	2 390	77	-	2 467	1 444	1 023	58.5%	874	1 373
Transfers and subsidies									
Provinces and municipalities									
Payments for capital assets	150	(150)	-	-	-	-	-	-	-
Intangible assets	150	(150)	-	-	-	-	-	-	-
Total	5 580	(121)	-	5 459	4 436	1 023	81.3%	4 320	4 277

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Details	2014/15 R'000	2013/14 R'000
Other transfers	423 873	367 091

**2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**

None

**3. Detail on payments for financial assets**

None

**4. Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	270 950	257 913	13 037	4.81%
Social Welfare Services	338 198	332 896	5 302	2%
Children and Families	545 659	545 352	307	0%
Restorative Services	162 189	161 383	806	0%
Development and Support Services	157 620	156 234	1 386	1%

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
<b>Current payments</b>				
Compensation of employees	758 754	762 643	(3 889)	-1%
Goods and services	229 020	225 661	3 359	1%
<b>Transfers and subsidies</b>				
Provinces and municipalities	-	165	(165)	0%
Departmental agencies and accounts	5 072	5 006	66	1%
Non-profit institutions	439 724	423 873	15 851	4%
Households	876	3 355	(2 479)	-283%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	30 000	20 529	9 471	32%
Machinery and equipment	12 992	14 368	(1 376)	-11%

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

The over expenditure on households is for payments made on leave gratuities due to natural attrition. Over spending on buildings and other fixed structures is due to irregular payment made to contractor without approval.

4.3	Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	Expanded Public Works Program	2 772	2 749	23	1%

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	1 474 616	1 380 779
Statutory appropriation	<u>2</u>	1 822	-
Departmental revenue	<u>3</u>	1 706	1 368
Aid assistance	<u>4</u>	14 669	-
<b>TOTAL REVENUE</b>		<b>1 492 813</b>	<b>1 382 147</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>5</u>	762 643	665 058
Goods and services	<u>6</u>	225 661	242 208
Aid assistance	<u>4</u>	14 438	-
<b>Total current expenditure</b>		<b>1 002 742</b>	<b>907 266</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>7</u>	432 399	374 959
<b>Total transfers and subsidies</b>		<b>432 399</b>	<b>374 959</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>8</u>	34 897	32 776
<b>Total expenditure for capital assets</b>		<b>34 897</b>	<b>32 776</b>
<b>TOTAL EXPENDITURE</b>		<b>1 470 038</b>	<b>1 315 001</b>
<b>SURPLUS FOR THE YEAR</b>		<b>22 775</b>	<b>67 146</b>

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2015

### Reconciliation of Net Surplus/(Deficit) for the year

		20 838	65 778
<b>Voted funds</b>			
Annual appropriation		20 815	65 708
Conditional grants		23	70
Unconditional grants			
Departmental revenue and NRF Receipts	<u>13</u>	1 706	1 368
Aid assistance	<u>4</u>	231	-
<b>SURPLUS FOR THE YEAR</b>		<b>22 775</b>	<b>67 146</b>

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2015**

	Note	2014/15 R'000	2013/14 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>63 524</b>	<b>101 772</b>
Cash and cash equivalents	<u>9</u>	8 291	44 667
Prepayments and advances	<u>10</u>	26 781	29 689
Receivables	<u>11</u>	28 452	27 416
<b>Non-current assets</b>		<b>-</b>	<b>-</b>
Receivables	<u>11</u>	-	-
<b>TOTAL ASSETS</b>		<b>63 524</b>	<b>101 772</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>43 865</b>	<b>83 113</b>
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	20 838	65 778
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	1 432	122
Payables	<u>14</u>	21 364	17 213
Aid assistance unutilised	<u>4</u>	231	-
<b>TOTAL LIABILITIES</b>		<b>43 865</b>	<b>83 113</b>
<b>NET ASSETS</b>		<b>19 659</b>	<b>18 659</b>

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2015**

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
<b>Represented by:</b>			
Recoverable revenue		19 659	18 659
<b>TOTAL</b>		<b>19 659</b>	<b>18 659</b>

# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/15 R'000
<b>Recoverable revenue</b>			
Opening balance		18 659	523
Transfers:		1 000	18 136
Debts revised			
Debts recovered (included in departmental receipts)		(1 395)	(87)
Debts raised		2 395	18 223
Closing balance		19 659	18 659
<b>TOTAL</b>		19 659	18 659

## CASH FLOW STATEMENT

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>1 497 449</b>	<b>1 383 978</b>
Annual appropriated funds received	1.1	1 474 616	1 380 779
Statutory appropriated funds received	2	1 822	-
Departmental revenue received	3	6 342	3 199
Aid assistance received	4	14 669	-
Net (increase)/decrease in working capital		6 023	(38 867)
Surrendered to Revenue Fund		(71 356)	(4 595)
Current payments		(1 002 742)	(907 266)
Transfers and subsidies paid		(432 399)	(374 959)
<b>Net cash flow available from operating activities</b>	15	<b>(3 025)</b>	<b>58 291</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(34 897)	(32 776)
Proceeds from sale of capital assets	3.4	546	680
<b>Net cash flows from investing activities</b>		<b>(34 351)</b>	<b>(32 096)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in net assets		1 000	18 136
<b>Net cash flows from financing activities</b>		<b>1 000</b>	<b>18 136</b>
Net increase/(decrease) in cash and cash equivalents		(36 376)	44 331
Cash and cash equivalents at beginning of period		44 667	336
<b>Cash and cash equivalents at end of period</b>	16	<b>8 291</b>	<b>44 667</b>

**ACCOUNTING POLICIES**  
**for the year ended 31 March 2015**

<p><b>Summary of significant accounting policies</b></p> <p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p> <p>During the year under review the department was able to execute its mandate in line with appropriated funds. The department remained within allocated funds. Plans were put in place to address issues raised by its oversight bodies as well other internal control weaknesses.</p> <p>The department is in a position to meet its contractual obligations and will continue to do so in a foreseeable future. The department's strategic plan entails the long term plans whilst the annual performance plans outlines the immediate plans. These two documents are costed and aligned with the department MTEF budget.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. Prior period figures for Social Welfare Services have been reclassified to be consistent with the split of the programme with effect from 01 April 2014 into two other programmes, i.e. Children &amp; Families and Restorative Services.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>

## ACCOUNTING POLICIES

for the year ended 31 March 2015

<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Accrued expenditure payable</b></p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.</p> <p>Accrued expenditure payable is measured at cost.</p>
<b>8.4</b>	<b>Leases</b>

**ACCOUNTING POLICIES**  
**for the year ended 31 March 2015**

<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>The department has a contract with the IDT to be an implementing agent for the departmental infrastructure projects. The department advances fund to the IDT in tranches. The IDT in turn pays the contractors and provide the department with the proof of payments and progress certificates to clear the advance.</p> <p>The department also advances funds to the Non Profit Organisations, the NPO in turn render services on behalf of the department and submit claims which will then be reconciled with the advance prior expensing.</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>

## ACCOUNTING POLICIES

for the year ended 31 March 2015

<b>13</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
<b>14</b>	<p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
<b>15</b>	<p><b>Capital Assets</b></p>
<b>15.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
<b>15.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<b>16</b>	<p><b>Provisions and Contingents</b></p>
<b>16.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>16.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>

**ACCOUNTING POLICIES**  
**for the year ended 31 March 2015**

<b>16.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department</p>
<b>16.4</b>	<p><b>Commitments</b></p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>
<b>17</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>18</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>19</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>20</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>21</b>	<p><b>Agent-Principal arrangements</b></p> <ul style="list-style-type: none"> <li>• <b>The Independent Development Trust</b></li> </ul> <p>The department entered into three year contract with IDT to be an Implementing Agent for the department on Infrastructure projects</p>

**ACCOUNTING POLICIES**  
**for the year ended 31 March 2015**

	<ul style="list-style-type: none"> <li>• <b>National Development Agency</b> The department signed a service level agreement for a period of five years for training and capacity building organisations in the province on financial management corporate governance and conflict management, amongst others.</li> </ul>
<b>22</b>	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<b>23</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.</p>
<b>24</b>	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**1. Annual Appropriation**

**1.1 Annual Appropriation**

		2014/15		2013/14
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received R'000
Administration	270 950	270 950	-	297 525
Social Welfare Services	338 198	338 198	-	588 297
Children and Families	545 659	545 659	-	273 526
Restorative Services	162 189	162 189	-	63 126
Development and support services	157 620	157 620	-	158 305
<b>Total</b>	<b>1 474 616</b>	<b>1 474 616</b>	<b>-</b>	<b>1 380 779</b>

*The department received all the funds appropriated for the financial year under review.  
The budget structure changed during 2014/15 this has led to program 2: Social Welfare Services broken down to three programs namely Social Welfare Services, Children & Families and Restorative Services. The appropriation received for social welfare services has been apportioned across the three programs whilst program 1: Administration and program 5: Development and Research, former program 3 remain the same.*

**1.2 Conditional grants**

	Note	2014/15 R'000	2013/14 R'000
Total grants received	33	2 772	8 985

**2. Statutory Appropriation**

	2014/15 R'000	2013/14 R'000
Members' remuneration	1 822	-
<b>Total</b>	<b>1 822</b>	<b>-</b>
Actual Statutory Appropriation received	1 822	-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**3. Departmental revenue**

	Note	2014/15 R'000	2013/14 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	1 289	1 186
Sales of capital assets	3.2	546	680
Transactions in financial assets and liabilities	3.3	5 053	2 013
Total revenue collected		<b>6 888</b>	<b>3 879</b>
Less: Own revenue included in appropriation	13	5 182	2 511
<b>Departmental revenue collected</b>		<b>1 706</b>	<b>1 368</b>

**3.1 Sales of goods and services other than capital assets**

	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the department	3	1 289	1 147
Sales by market establishment		457	427
Administrative fees		-	4
Other sales		832	716
Sales of scrap, waste and other used current goods			39
<b>Total</b>		<b>1 289</b>	<b>1 186</b>

**3.2 Sale of capital assets**

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>	3	546	680
Machinery and equipment	28	546	680
<b>Total</b>		<b>546</b>	<b>680</b>

**3.3 Transactions in financial assets and liabilities**

	Note	2014/15 R'000	2013/14 R'000
Receivables		3 661	1 625
Stale cheques written back		1 392	388
<b>Total</b>		<b>5 053</b>	<b>2 013</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**4. Aid assistance**

	Note	2014/15 R'000	2013/14 R'000
Opening Balance		-	-
Transferred from statement of financial performance		231	-
Paid during the year		-	-
<b>Closing Balance</b>		<b>231</b>	<b>-</b>

**4.1 Analysis of balance by source**

	Note	2014/15 R'000	2013/14 R'000
	4		
Aid assistance from other sources		231	-
<b>Closing balance</b>		<b>231</b>	<b>-</b>

**4.2 Analysis of balance**

	Note	2014/15 R'000	2013/14 R'000
	4		
Aid assistance unutilised		231	-
<b>Closing balance</b>		<b>231</b>	<b>-</b>

**5. Compensation of employees**

**5.1 Salaries and Wages**

	Note	2014/15 R'000	2013/14 R'000
Basic salary		549 521	472 603
Performance award		15 883	19 652
Service Based		293	466
Compensative/circumstantial		5 153	1 240
Periodic payments		-	14
Other non-pensionable allowances		86 743	78 628
<b>Total</b>		<b>657 593</b>	<b>572 603</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**5.2 Social contributions**

	Note	2014/15 R'000	2013/14 R'000
<b>Employer contributions</b>			
Pension		70 731	59 947
Medical		34 214	32 411
Bargaining council		105	97
<b>Total</b>		<b>105 050</b>	<b>92 455</b>
 <b>Total compensation of employees</b>		 <b>762 643</b>	 <b>665 058</b>
 <b>Average number of employees</b>		 <b>2 850</b>	 <b>2 674</b>

**6. Goods and services**

	Note	2014/15 R'000	2013/14 R'000
Administrative fees		147	238
Advertising		2 589	1 602
Minor assets	6.1	2 142	3 351
Bursaries (employees)		30	-
Catering		3 875	1 930
Communication		7 257	13 185
Computer services	6.2	5 902	51
Consultants: Business and advisory services		137	-
Legal services		401	-
Contractors		-	2 911
Agency and support / outsourced services		70 625	78 325
Audit cost – external	6.3	5 444	5 329
Fleet services		16 812	15 824
Inventory	6.4	9 271	5 996
Consumables	6.5	11 148	10 123
Operating leases		1 791	2 294
Property payments	6.6	46 415	68 988
Rental and hiring		829	230
Transport provided as part of the departmental activities		642	199
Travel and subsistence	6.7	26 739	24 017
Venues and facilities		1 103	1 153
Training and development		8 614	2 460
Other operating expenditure	6.8	3 748	4 002
<b>Total</b>		<b>225 661</b>	<b>242 208</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**6.1 Minor assets**

	Note 6	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>		<b>2 142</b>	<b>3 351</b>
Machinery and equipment		2 142	3 351
<b>Total</b>		<b>2 142</b>	<b>3 351</b>

**6.2 Computer services**

	Note 6	2014/15 R'000	2013/14 R'000
SITA computer services		5 902	51
<b>Total</b>		<b>5 902</b>	<b>51</b>

**6.3 Audit cost – External**

	Note 6	2014/15 R'000	2013/14 R'000
Regularity audits		5 444	5 329
<b>Total</b>		<b>5 444</b>	<b>5 329</b>

**6.4 Inventory**

	Note 6	2014/15 R'000	2013/14 R'000
Clothing material and accessories		1 575	681
Food and food supplies		7 451	4 959
Fuel, oil and gas		83	125
Materials and supplies		2	125
Medical supplies		160	106
<b>Total</b>		<b>9 271</b>	<b>5 996</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**6.5 Consumables**

	Note 6	2014/15 R'000	2013/14 R'000
Consumable supplies		6 866	5 962
Uniform and clothing		1 341	437
Household supplies		2 972	4 334
Building material and supplies		310	268
IT consumables		1 901	646
Other consumables		342	277
Stationery, printing and office supplies		4 282	4 161
<b>Total</b>		<b>11 148</b>	<b>10 123</b>

**6.6 Property payments**

	Note 6	2014/15 R'000	2013/14 R'000
Municipal services		6 237	20 611
Property maintenance and repairs		4 582	-
Other		35 596	48 377
<b>Total</b>		<b>46 415</b>	<b>68 988</b>

**6.7 Travel and subsistence**

	Note 6	2014/15 R'000	2013/14 R'000
Local		26 701	23 730
Foreign		38	287
<b>Total</b>		<b>26 739</b>	<b>24 017</b>

**6.8 Other operating expenditure**

	Note 6	2014/15 R'000	2013/14 R'000
Resettlement costs		93	87
Other		3 655	3 915
<b>Total</b>		<b>3 748</b>	<b>4 002</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**7. Transfers and subsidies**

		2014/15 R'000	2013/14 R'000
	<i>Note</i>		
Provinces and municipalities	34	165	-
Departmental agencies and accounts	Annex 1B	5 006	3 000
Public corporations and private enterprises	Annex 1D	-	32
Non-profit institutions	Annex 1F	423 873	367 090
Households	Annex 1G	3 355	4 837
<b>Total</b>		<b>432 399</b>	<b>374 959</b>

**8. Expenditure for capital assets**

	<i>Note</i>	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>		<b>34 897</b>	<b>32 776</b>
Buildings and other fixed structures	29	20 529	18 176
Machinery and equipment	28	14 368	14 600
<b>Total</b>		<b>34 897</b>	<b>32 776</b>

**8.1 Analysis of funds utilised to acquire capital assets – 2014/15**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>34 897</b>		<b>34 897</b>
Buildings and other fixed structures	20 529		20 529
Machinery and equipment	14 368		14 368
<b>Total</b>	<b>34 897</b>		<b>34 897</b>

**8.2 Analysis of funds utilised to acquire capital assets – 2013/14**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>32 776</b>		<b>32 776</b>
Buildings and other fixed structures	18 176		18 176
Machinery and equipment	14 600		14 600
<b>Total</b>	<b>32 776</b>		<b>32 776</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**8.3 Finance lease expenditure included in Expenditure for capital assets**

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
<b>Tangible assets</b>			
Machinery and equipment		1 731	1 778
<b>Total</b>		<b>1 731</b>	<b>1 778</b>

**9. Cash and cash equivalents**

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Consolidated Paymaster General Account		(22 054)	(3 423)
Cash on hand		30 345	48 090
<b>Total</b>		<b>8 291</b>	<b>44 667</b>

**10. Prepayments and advances**

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Advances paid	10.1	26 871	29 689
<b>Total</b>		<b>26 871</b>	<b>29 689</b>

**10.1 Advances paid**

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Public entities	10	13 837	23 127
Other entities		12 944	6 562
<b>Total</b>		<b>26 781</b>	<b>29 689</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**11. Receivables**

		2014/15				2013/14
		R'000	R'000	R'000	R'000	R'000
		Less than	One to	Older than	Total	Total
	Note	one year	three	three years		
			years			
Claims recoverable	11.1	-	-	-	-	5
	Annex 4					
Recoverable expenditure	11.2	326	-	7 940	8 265	8 103
Staff debt	11.3	226	406	279	911	1 354
Other debtors	11.4	2 388	16 712	175	19 275	17 952
Fruitless and wasteful expenditure	11.5	1	-	-	1	2
<b>Total</b>		<b>2 941</b>	<b>17 118</b>	<b>8 394</b>	<b>28 452</b>	<b>27 416</b>

**11.1 Claims recoverable**

	Note	2014/15	2013/14
	11	R'000	R'000
Provincial departments		-	5
<b>Total</b>		<b>-</b>	<b>5</b>

**11.2 Recoverable expenditure (disallowance accounts)**

	Note	2014/15	2013/14
	11	R'000	R'000
General accounts		8 266	8 102
Deductions accounts		-	1
<b>Total</b>		<b>8 266</b>	<b>8 103</b>

**11.3 Staff debt**

	Note	2014/15	2013/14
	11	R'000	R'000
Staff debts		911	1 354
<b>Total</b>		<b>911</b>	<b>1 354</b>

**11.4 Other debtors**

	Note	2014/15	2013/14
	11	R'000	R'000
Social grant		175	175
NGOs		15 859	17 346
Bursary defaulters		3 241	431
<b>Total</b>		<b>19 275</b>	<b>17 952</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**11.5 Fruitless and wasteful expenditure**

	Note 11	2014/15 R'000	2013/14 R'000
Opening balance		2	-
Less amounts recovered		(2)	-
Transfers from note 32 Fruitless and Wasteful Expenditure		1	2
<b>Total</b>		<b>1</b>	<b>2</b>

**12. Voted funds to be surrendered to the Revenue Fund**

	Note	2014/15 R'000	2013/14 R'000
Opening balance		65 778	260
Prior period error		-	-
As restated		65 778	260
Transfer from statement of financial performance (as restated)		20 838	65 778
Paid during the year		(65 778)	(260)
<b>Closing balance</b>		<b>20 838</b>	<b>65 778</b>

**13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	Note	2014/15 R'000	2013/14 R'000
Opening balance		122	578
Prior period error		-	-
As restated		122	578
Transfer from Statement of Financial Performance (as restated)		1 706	1 368
Own revenue included in appropriation		5 182	2 511
Paid during the year		(5 578)	(4 335)
<b>Closing balance</b>		<b>1 432</b>	<b>122</b>

**14. Payables – current**

	Note	2014/15 R'000	2013/14 R'000
Amounts owing to other entities		21 132	15 001
Clearing accounts	14.1	232	2 212
<b>Total</b>		<b>21 364</b>	<b>17 213</b>

**14.1 Other payables**

	Note 14	2014/15 R'000	2013/14 R'000
General Accounts		21	2 095
Deductions Accounts		211	117
<b>Total</b>		<b>232</b>	<b>2 212</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**15. Net cash flow available from operating activities**

	Note	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		22 775	67 146
Add back non cash/cash movements not deemed operating activities		(25 800)	(8 855)
(Increase)/decrease in receivables – current		(1 036)	(18 444)
(Increase)/decrease in prepayments and advances		2 908	(29 689)
Increase/(decrease) in payables – current		4 151	9 266
Proceeds from sale of capital assets		(546)	(680)
Expenditure on capital assets		34 897	32 776
Surrenders to Revenue Fund		(71 356)	(4 595)
Own revenue included in appropriation		5 182	2 511
<b>Net cash flow generated by operating activities</b>		<b>(3 025)</b>	<b>58 291</b>

**16. Reconciliation of cash and cash equivalents for cash flow purposes**

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		(22 054)	(3 423)
Cash on hand		30 345	48 090
<b>Total</b>		<b>8 291</b>	<b>44 667</b>

**17. Contingent liabilities and contingent assets**

**17.1 Contingent liabilities**

Liable to	Nature	Note	2014/15 R'000	2013/14 R'000
Housing loan guarantees	Employees	Annex 3A	527	519
Claims against the department		Annex 3B	55 208	47 223
Intergovernmental payables (unconfirmed balances)		Annex 5	-	-
<b>Total</b>			<b>55 735</b>	<b>47 742</b>

*Included in the Contingent liabilities amount, is an amount of R45 million for defamation case and R10 million relate to vehicle accident against the department. The finality of these cases is dependent upon the finalization of court processes. The department also issued housing guarantees worth R527 000.00.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**17.2 Contingent assets**

	Note	2014/15 R'000	2013/14 R'000
<b>Nature of contingent asset</b>			
Computer stolen in a project, there was no security		-	69
Recovery after money erroneously paid to Mrs Eloff		-	36
<b>Total</b>		<b>-</b>	<b>105</b>

*The case relating to money erroneously paid to Mrs Eloff has been settled. The Bank ABSA took responsibility and paid Mr Malatji.*

**18. Commitments**

	Note	2014/15 R'000	2013/14 R'000
<b>Current expenditure</b>			
Approved and contracted		209 050	214 788
		<b>209 050</b>	<b>214 788</b>
<b>Capital expenditure</b>			
Approved and contracted		45 270	45 005
		<b>45 270</b>	<b>45 005</b>
<b>Total Commitments</b>		<b>254 320</b>	<b>259 793</b>

*The commitment for security services, frail care, secure care centre, supply of school uniform, supply and delivery of food to state owned institution are for more than one year.*

*All known commitments have been disclosed*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**19. Accruals and payables not recognised**

	2014/15 R'000			2013/14 R'000
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Compensation of employees	636	-	636	2 185
Goods and services	21 632	49	21 681	15 862
Transfers and subsidies	3 565	706	4 271	5 337
Capital assets	271	-	271	8 862
<b>Total</b>	<b>26 104</b>	<b>755</b>	<b>26 859</b>	<b>32 246</b>

	Note	2014/15 R'000	2013/14 R'000
<b>Listed by programme level</b>			
Administration		9 120	16 027
Social Welfare Services		10 918	15 980
Children and families		3 456	-
Restorative Services		2 933	-
Development and support services		432	239
<b>Total</b>		<b>26 859</b>	<b>32 246</b>

	Note	2014/15 R'000	2013/14 R'000
Confirmed balances with other departments	Annex 5	64	93
Confirmed balances with other government entities	Annex 5		
<b>Total</b>		<b>64</b>	<b>93</b>

*Majority of transactions on this disclosure is mainly for services rendered during March 2015 and invoices submitted in April 2015 i.e. key accounts and contractual obligations. There are also instances of invoices submitted after the payment run. There are also NPO transfers that rejected and could therefore not be settled before year end.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**20. Employee benefits**

	Note	2014/15 R'000	2013/14 R'000
Leave entitlement		34 287	29 771
Service bonus (Thirteenth cheque)		24 339	20 615
Performance awards		11 381	9 976
Capped leave commitments		30 619	29 629
Other		512	988
<b>Total</b>		<b>101 138</b>	<b>90 979</b>

*The disclosure has leave credits to the value of R493 905.10.*

*The leave liability report for the financial 2014/15 is categorized as follows:*

*Report 7.11.13: Choice 1: Leave captured as at 31 March 2015*

*Report 7.11.13: Choice 2: Leave captured after 31 March 2015 that belong to financial year 2014/15*

*The methodology used to disclose the Leave Entitlement & Capped Leave entitlement is that the monetary value of the leaves captured as at 31 March 2015 minus[-] the leave captured after 31 March 2015 equals [=] Leave Entitlement & Capped leave Entitlement*

**21. Lease commitments**

**21.1 Operating leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2014/15</b>					
Not later than 1 year			44		44
<b>Total lease commitments</b>			<b>44</b>		<b>44</b>
<b>2013/14</b>					
Not later than 1 year			48		48
<b>Total lease commitments</b>			<b>48</b>		<b>48</b>

*The department is renting building for office space.*

*The department had not sub-let any assets*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**21.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2014/15</b>					
Not later than 1 year				1 400	1 400
Later than 1 year and not later than 5 years				671	671
<b>Total lease commitments</b>				<b>2 071</b>	<b>2 071</b>
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2013/14</b>					
Not later than 1 year				1 327	1 327
Later than 1 year and not later than 5 years				1 283	1 283
<b>Total lease commitments</b>				<b>2 610</b>	<b>2 610</b>

*The lease disclosed relates to the rental of photocopiers.*

*The department had not sub-let any assets*

**22. Irregular expenditure**

**22.1 Reconciliation of irregular expenditure**

	Note	2014/15 R'000	2013/14 R'000
Opening balance		75 821	79 325
Prior period error			
As restated		75 821	79 325
Add: Irregular expenditure – relating to prior year			
Add: Irregular expenditure – relating to current year		14 520	6 224
Less: Prior year amounts condoned		(1 333)	(9 728)
<b>Closing balance</b>		<b>89 008</b>	<b>75 821</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		14 520	6 224
Prior years		74 488	69 597
<b>Total</b>		<b>89 008</b>	<b>75 821</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**22.2 Details of irregular expenditure – current year**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2014/15 R'000</b>
Accommodation and meals – Mopani district	the issue to be presented to the Bid Committee for consideration.	3
Accommodation and meals – Mopani district	the issue to be presented to the Bid Committee for consideration.	48
Repairs in the office – Head Office	Investigation finalized , disciplinary process to follow.	4
Transport for youth in dialogues – Mopani district	the issue to be presented to the Bid Committee for consideration.	21
Procurement of stationery – Mopani district	the issue to be presented to the Bid Committee for consideration.	38
Procurement of stage, sound and artist for MEC mega projects event – Mopani district	the issue to be presented to the Bid Committee for consideration.	51
Provision of catering for 30 officials – Mopani	the issue to be presented to the Bid Committee for consideration.	7
Procurement of stationery – Mopani district	the issue to be presented to the Bid Committee for consideration.	28
Supply and delivery of food parcels – Mopani	the issue to be presented to the Bid Committee for consideration	21
Accommodation and meals for 13 officials – Mopani district	the issue to be presented to the Bid Committee for consideration.	15
Performance bonus paid in contravention of PMDS guidelines	To be investigated	5 405
Procurement without three quotations	the issue to be presented to the Bid Committee for consideration	14
Procurement of service without following proper procedure Sekhukhune FET		
Pay progression 2012/13		4 649
Erroneous performance & pay progression paid		3 500
		716
<b>Total</b>		<b>14 520</b>

**22.3 Details of irregular expenditure condoned**

<b>Incident</b>	<b>Condoned by (condoning authority)</b>	<b>2014/15 R'000</b>
Transport services for 20 people (Mopani District)	Accounting Officer	4
Procurement of excellent award certificate (Mopani district)	Accounting Officer	2
Removal of beehive (Mopani district)	Accounting Officer	6
Hiring of 52 chairs (Mopani district)	Accounting Officer	1
Catering services for 40 people (Mopani district)	Accounting Officer	1
Catering services for 10 people (Mopani district)	Accounting Officer	1

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Procurement of video camera (Mopani district)	Accounting Officer	34
Provision of catering services : Irish House	Accounting Officer	322
Accommodation and meals (Head Office)	Accounting Officer	10
Provision of security services one stop center ( Capricon)	Accounting Officer	94
Provision of security services various institutions (Capricon)	Accounting Officer	222
Provision of security services one stop center (Capricon district)	Accounting Officer	66
Provision of security services Mafefe one stop centre (Capricon district)	Accounting Officer	93
Provision of security services at Buffelshoek one stop centre (Capricon district)	Accounting Officer	51
Procurement of A4 white photocopy papers (Sekhukhune district)	Accounting Officer	31
Provision of security services Mafefe one stop center (Capricon)	Accounting Officer	17
Replacement of hydrant at Sekutupu Old Age Home (Capricon district)	Accounting Officer	22
Procurement of kitchen and household equipment Thohoyandou Children's Home (Vhembe district)	Accounting Officer	9
Provision of security services at Giyani one stop centre (Mopani district)	Accounting Officer	57
Provision of catering services : Hlanganani Society for the Aged (Vhembe district)	Accounting Officer	2
Provision of security services at Bakenberg one stop centre ( Waterberg district)	Accounting Officer	56
Provision of security services at Bela-Bela one stop centre	Accounting Officer	55
Provision of security services :Mokopane sub office (Waterberg district)	Accounting Officer	63
Provision of security services at Thabazimbi one stop center	Accounting Officer	58
Provision of security services : Mutale one stop centre	Accounting Officer	56
<b>Total</b>		<b>1 333</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**22.4 Details of irregular expenditures under investigation**

<b>Incident</b>	<b>2014/15 R'000</b>
Provision of security services at Giyani one stop centre (Mopani district)	57
Provision of catering services : Hlanganani Society for the Aged (Vhembe district)	2
Provision of security services at Bakenberg one stop centre ( Waterberg district)	56
Provision of security services at Bela-Bela one stop centre	56
Provision of security services :Mokopane sub office (Waterberg district)	63
Provision of security services at Thabazimbi one stop center	58
Provision of security services : Mutale one stop centre	56
<b>Total</b>	<b>348</b>

*The department exceeded the total allocation on Compensation of employees by R3 886 million. The department has however disclosed irregular expenditure to an amount of R9 610 million which is the total amount paid from condonation of payment of performance bonuses and pay progression to non-qualifying employees. The irregular expenditure amounting to R59 743 million relates to procurement of goods and services*

**23. Fruitless and wasteful expenditure**

**23.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Opening balance		7 222	6 811
Prior period error			
As restated		7 222	6 811
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year		3 515	413
Less: Amounts resolved			
Less: Amounts transferred to receivables for recovery	11.5	(1)	(2)
<b>Fruitless and wasteful expenditure awaiting resolution</b>		<b>10 736</b>	<b>7 222</b>

**23.2 Analysis of awaiting resolution per economic classification**

	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Current	3 689	175
Capital	7 047	7 047
Transfers and subsidies		
<b>Total</b>	<b>10 736</b>	<b>7 222</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**23.3 Analysis of Current year's fruitless and wasteful expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2014/15 R'000</b>
Interest paid Capricorn district	Under investigation	5
Interest paid Polokwane place of safety	Under investigation	3
Interest paid Waterberg district	Under investigation	5
Interest paid Mopani district	Under investigation	2
Interest paid Sekhukhune district	Under investigation	1
Interest paid Vhembe district	Under investigation	3
Contract for secure care - Head Office	Under investigation	3 487
Penalty paid on running costs	Under investigation	1
Non-attendance of training Head Office	In the process of being referred for investigation	7
Over payment of S&T		1
<b>Total</b>		<b>3 515</b>

**24. Related party transactions**

<b>Payments made</b>	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Goods and services		14 553	25 776
<b>Total</b>		<b>14 553</b>	<b>25 776</b>
	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
<b>Year end balances arising from payments</b>			
Payables to related parties		117 127	58 713
<b>Total</b>		<b>117 127</b>	<b>58 713</b>

***Use of buildings belonging to the Department of Public Works***

*The department make use of buildings belonging to the department of Public Works*

***Limpopo Provincial Treasury***

*The services provided by the provincial Audit Committee are administered and paid for by Limpopo Provincial Treasury. The Committee worked **150 hours** on Social development*

*Limpopo Internal Audit function is provided by the Provincial Treasury and has worked for **3 815.24 hours** on Social Development*

***Services paid by the Limpopo Department of Health : Vote 7***

*Municipal, telephone and security services utilized by the department are paid by the Department of Health vote 7*

***Other related parties includes:***

***Department of Education***

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

*Department of Safety, Security and Liaison*  
*Department of Co-operative Governance, Human Settlement and Traditional Affairs*  
*Department of Economic Development, Environment and Tourism*  
*Department of Sports, Arts and Culture*  
*The Legislature*  
*Office of the Premier Department of Road and Transport*  
*Department of Agriculture*

**25. Key management personnel**

	No. of Individuals	2014/15 R'000	2013/14 R'000
Officials:			
Level 15 to 16	1	1 889	1 769
Level 14 (incl. CFO if at a lower level)	5	4 404	3 988
<b>Total</b>		<b>6 293</b>	<b>5 757</b>

**26. Impairment: other**

	Note	2014/15 R'000	2013/14 R'000
Debtors		547	947
Fidelity Cash Management		7 940	3 310
<b>Total</b>		<b>8 487</b>	<b>4 257</b>

*The disclosure of R8.4million Impairment followed the unsuccessful debt recovery process of following up the debtors as prescribed by the Treasury Regulations, departmental debt process and the provincial transversal debt policy. All these cases recorded no recovery for the past three years despite referral to the state attorney.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**27. Non-adjusting events after reporting date**

Nature of event	2014/15 R'000
<p>On 20<sup>th</sup> April 2015, the department wrote a letter to Life Esidimeni, service provider appointed to manage the frail care centre to remedy the breach on the non-compliance to service level agreement</p> <p>On 24<sup>th</sup> April 2015, the department advertised two bids, management of secure care services a Polokwane Welfare Complex and supply and delivery of food parcels</p> <p>The department made various appointments including senior management posts of General Manager : Integrated Community Development Support Services, Senior Manager : Physical Facilities and District Executive Manager : Mopani district</p> <p>The department encountered unprotected protest from its employees which related to performance incentives</p>	
<b>Total</b>	

*The unprotected protest by departmental employees could not affect service delivery negatively.*

*The assessment of movable tangible assets to be written off was finalized after the 31<sup>st</sup> of May 2015. This has led to an adjusting event on movable tangible assets note 29.5 by an amount of R23 949.48*

**28. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	125 287	13 701	2 230	136 758
Transport assets	103 740	6 975	1 839	108 876
Computer equipment	13 774	4 656	391	18 039
Furniture and office equipment	5 045	1 127	-	6 172
Other machinery and equipment	2 728	943	-	3 671
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	125 287	13 701	2 230	136 758

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**28.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>14 344</b>	<b>1 088</b>	<b>(1 731)</b>		<b>13 701</b>
Transport assets	5 887	1 088	-		6 975
Computer equipment	4 656		-		4 656
Furniture and office equipment	1 127		-		1 127
Other machinery and equipment	2 674		(1 731)		943
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14 344</b>	<b>1 088</b>	<b>(1 731)</b>		<b>13 701</b>

**28.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR  
THE YEAR ENDED 31 MARCH 2015**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 839</b>	<b>391</b>	<b>2 230</b>	<b>546</b>
Transport assets	1 839	-	1 839	546
Computer equipment	-	391	391	
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 839</b>	<b>391</b>	<b>2 230</b>	<b>546</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015**

**28.3 Movement for 2013/14**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>107 039</b>	<b>8 744</b>	<b>13 090</b>	<b>3 586</b>	<b>125 287</b>
Transport assets	39 955	57 069	8 680	1 964	103 740
Computer equipment	10 913		3 697	836	13 774
Furniture and office equipment	5 570		190	715	5 045
Other machinery and equipment	50 601	(48 325)	523	71	2 728
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>107 039</b>	<b>8 744</b>	<b>13 090</b>	<b>3 586</b>	<b>125 287</b>

**28.3.1 Prior period error**

Note  
39.3

2013/14  
R'000

**Nature of prior period error**

Relating to 2013/14

The comparative amounts in note 29 were reinstated as follows(opening balance on the transport was increased by R57 068 million which was not included in 2012/13 financial year

The comparative amounts in note 29 were reinstated as follows(opening balance on the other machinery and equipment was reduced by R48 325 million which was incorrectly included on this item in 2012/13 financial year

Total

57 069
(48 325)
<b>8 744</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**28.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance				31 357		31 357
Additions				3 444		3 444
Disposals				82		82
<b>TOTAL MINOR ASSETS</b>				<b>34 719</b>		<b>34 719</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost				26 568		26 568
<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>26 568</b>		<b>26 568</b>

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance				29 455		29 455
Prior period error				804		804
Additions				2 887		2 887
Disposals				1 789		1 789

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**28.5 Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off				391		391
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>				<b>391</b>		<b>391</b>

*The department has assets to the value of R337146.11 written off as result of theft and losses. The department has identified the lost assets which require investigations. The necessary actions will be taken after the conclusion of the investigations.*

**29. Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Non-residential buildings				
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>				

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**29.1 Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>20 529</b>		<b>(20 529)</b>		<b>-</b>
Non-residential buildings	20 529		(20 529)		-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>20 529</b>		<b>(20 529)</b>		<b>-</b>

**29.2 Movement for 2013/14**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2014**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>24 008</b>	<b>(24 008)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-residential buildings	24 008	(24 008)	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>24 008</b>	<b>(24 008)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**29.3 S42 Immovable assets**

**Assets subjected to transfer in terms of S42 of the PFMA – 2014/15**

	<b>Number of assets</b>	<b>Value of assets R'000</b>
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>27</b>	<b>218 436</b>
Non-residential buildings	27	218 436
<b>TOTAL</b>	<b>27</b>	<b>218 436</b>

**Assets subjected to transfer in terms of S42 of the PFMA – 2013/14**

	<b>Number of assets</b>	<b>Value of assets R'000</b>
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>27</b>	<b>213 894</b>
Non-residential buildings	27	213 894
<b>TOTAL</b>	<b>27</b>	<b>213 894</b>

**30. Agent-principal arrangements**

**30.1 Department acting as the principal**

	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
Independent Development Trust	-	34 391
National Development Agency	4 000	3 000
<b>Total</b>	<b>4 000</b>	<b>37 391</b>

***Independent Development Trust***

- The department entered into a three year contract with IDT to be an Implementing Agent for the department of on the infrastructure projects.*

***National Development Agency***

- The department signed a service level agreement for a period of five years for training and capacity building of non-profit organizations in the province on financial management, corporate governance and conflict management, amongst others*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

**31. Prior period errors**

**31.1 Correction of prior period errors**

	Note	2013/14 R'000
<b>Annual appropriation comparatives were reinstated as follows:</b>		
Line item 1 affected by the change: Social Welfare Services		924 949
Line item 2 affected by the change: Children and Families		(273 526)
Line item 3 affected by the change: Restorative Services		(63 126)
<b>Net effect</b>		<b>588 297</b>

	Note	2013/14 R'000
<b>Annual appropriation comparatives were reinstated as follows:</b>		
Line item 1 affected by the change: Children and Families		273 526
Line item 2 affected by the change: Restorative Services		63 126
<b>Net effect</b>		<b>336 652</b>

The department has reviewed the budget structure that resulted into three programs i.e Social Welfare Services, Children and Families and Restorative Services during 2014/15 financial year. All the three programs services were rendered under Social Welfare Services program

	Note	2013/14 R'000
<b>Assets:</b>		
<b>Current Assets</b>		
The prior balance for receivable were reinstated as follows in the Position		
Line item 1 affect by change Receivable current		27 416
Line item 2 affected by the change		(25 846)
Line item 3 affected by the change		
<b>Net effect</b>		<b>1 570</b>

<b>Assets:</b>		
<b>Non-Current Assets</b>		
The prior balance for receivable were reinstated as follows in the Position		
Line item 1 affect by change Receivable non-current		25 846
Line item 2 affected by the change		
Line item 3 affected by the change		
<b>Net effect</b>		<b>25 846</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015**

The comparative amount for receivables on the statement of financial position was reinstated as follows (The prior year amount on current assets was reduced by R25 846 million.

The comparative amount for receivables on the statement of financial position was reinstated as follows (The prior year amount on non-current assets was increased by R25 846 million.

This is due to the changes in the classification of receivables less than one year as current and more than one year as non-current

	Note	2013/14 R'000
<b>Cash flow statement was reinstated as follows</b>		
Line item 1 affected by the change: Net increase in working capital		(38 892)
Line item 2 affected by the change: Net increase in working capital		25
Line item 3 affected by the change		
<b>Net effect</b>		<u><u>(38 867)</u></u>

The amount for the net increase in working capital was incorrectly captured on the word document for 2013/14 financial year

	Note	2013/14 R'000
<b>Liabilities: Intergovernmental payables on annex 5 for prior year was reinstated as follows:</b>		
Unconfirmed balances		
Line item 1 affected by the change: Annex 5		37 811
Line item 2 affected by the change: Annex 5		(37 611)
Confirmed balances		
Line item 3 affected by the change: annex 5		21 195
Line item 4 affected by the change: annex 5		(21 102)
<b>Net effect</b>		<u><u>293</u></u>

The interdepartmental payables for Department of Health was transferred to the related party transactions

**32. Transfer of functions**

A decision was taken by the Premier on the 28th May 2014 to reconfigure provincial departments in the province. The decision stated that the function of Office of the MEC from Department of Safety, Security and Liaison should be transferred to Department of Social Development.

The adjustment budget was tabled to effect the announcement and a budget of R 7.5 million as well as assets to the value of R 1 087 805.42 was transferred to Social Development. Expenditure of R 4 979 235.73 was transferred however cash was not received and a debt of the same amount was created.

**32.1 Statement of Financial Position**

	Note	Bal per dept 2013/14 AFS before transfer 2013/14 R'000	Functions per dept (transferred) / received 2013/14 R'000	Functions per dept (transferred) / received 2013/14 R'000	Functions per dept (transferred) / received 2013/14 R'000	2013/14 Bal after transfer 2013/14 R'000
<b>ASSETS</b>		<b>75 926</b>				<b>75 926</b>
<b>Current Assets</b>						
Unauthorised expenditure		44 667				44 667
Cash and cash equivalents						
Other financial assets		29 689				29 689
Prepayments and advances		1 570				1 570
Receivables						
Loans						
Aid assistance prepayments						
Aid assistance receivable						
<b>Non-Current Assets</b>		<b>25 846</b>				<b>25 846</b>
Investments						
Receivables		25 846				25 846
Loans						
Other financial assets						
<b>TOTAL ASSETS</b>		<b>101 772</b>				<b>101 772</b>

**LIABILITIES****Current Liabilities**

Voted funds to be surrendered to the Revenue Fund

83 113

65 778

83 113

65 778

Limpopo Province

Departmental revenue and NRF Receipts to be surrendered to

the Revenue Fund	122				122
Bank Overdraft					
Payables	17 213				17 213
Aid assistance repayable					
Aid assistance unutilised					

**Non-Current Liabilities**

Payables					
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**TOTAL LIABILITIES**

	<b>83 113</b>				<b>83 113</b>
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**NET ASSETS**

	<b>18 659</b>				<b>18 659</b>
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**32.2 Disclosure Notes**

Note	Bal per dept 2013/14AFS before transfer 2013/14 R'000	Functions per dept (transferred) / received 2013/14 R'000	Functions per dept (transferred) / received 2013/14 R'000	Functions per dept (transferred) / received 2013/14 R'000	2013/14Bal after transfer R'000
Contingent liabilities	85 553				85 553
Contingent assets	105				105
Commitments	259 793				259 793
Accruals and payables not recognised	32 246				32 246
Employee benefits	90 979				90 979
Lease commitments – Operating lease	48				48
Lease commitments – Finance lease	2 610				2 610
Lease commitments – Operating lease revenue					
Accrued departmental revenue					
Irregular expenditure	75 821				75 821
Fruitless and wasteful expenditure	7 222				7 222
Impairment	4 257				4 257
Provisions					
Movable tangible capital assets					
Immovable tangible capital assets	125 287	1 088			126 375

*A decision was taken by the Premier on the 28<sup>th</sup> May 2014 to reconfigure provincial departments.*

*All the necessary records of the employees transferred were made available. Inventory list of all assets to be transferred was drawn and certificate for transferred assets was signed off by both the Accounting Officers on the 25<sup>th</sup> August 2014 as per section 42 of the PFMA.*

*An agreement was drawn up which included the following responsibilities*

*Recipient (Social Development)*

- Recording of all Human Resource files received by the recipient*
- Account for assets received by the recipient from the transferor*
- Acceptance of accountability of the budget transferred*

*Transferor (Safety, Security and Liaison)*

- Transfer all concomitant resources, including employees*
- Claim from the recipient all expenses incurred relating to the function*

*Derecognize assets transferred in its financial statements*

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

#### 33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				Amount received by department	SPENT			2013/14	
	Division of Revenue Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments		Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Department of Social Development	2 772				2 772	2 749	23	99%	8 985	8 915
<b>TOTAL</b>	<b>2 772</b>				<b>2 772</b>	<b>2 749</b>	<b>23</b>	<b>99%</b>	<b>8 985</b>	<b>8 915</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 34. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
Greater Giyani Municipality	-	-	-	-	30	-	-
Modimole Municipality	-	-	-	-	25	-	-
Polokwane Municipality	-	-	-	-	52	-	-
Greater Tubatse Municipality	-	-	-	-	28	-	-
Thulamela Municipality	-	-	-	-	30	-	-
	-	-	-	-	165	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted Appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
National Development Agency	4 000			4 000	3 354	84%	3000
HWSETA	1 072			1 072	1 652	154%	
<b>TOTAL</b>	<b>5 072</b>			<b>5 072</b>	<b>5 006</b>		<b>3 000</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

### ANNEXURE 1D STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2013/14
	Adjusted Appropriati on Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	Capital R'000	Current R'000	
Public Corporations									
Transfers									32
South African Broadcasting Corporation									32
									32

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

### ANNEXURE 1F STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Substance abuse prevention and rehabilitation	4 047	-	-	4 047	3 548	88%	2 790
Care and support to older persons	31 000	-	(6 516)	24 484	24 547	100%	20 120
Probation services	3 975	-	-	3 975	1 276	32%	2 276
Protective workshop	-	-	-	-	-	-	3 087
Services to the persons with disabilities	14 000	-	793	14 793	14 2168	96%	11 031
ECD and partial care	227 000	-	(3 727)	223 273	222 508	100%	167 845
Child and youth care	19 000	-	(24)	18 976	18 769	99%	39 318
Community based care	27 000	-	(480)	26 520	26 073	98%	-
Victim empowerment	12 340	-	-	12 340	11 865	96%	8 011
HIV and AIDS	66 000	-	9 423	75 423	71 253	94%	83 363
Care and support to families	14 000	-	531	14 531	14 490	100%	8 516
Youth development	1 300	-	-	1 300	950	73%	550
Poverty Alleviation and sustainable livelihood	13 290	-	-	13 290	11 678	88%	11 275
Institutional capacity	6 772	-	-	6 772	2 748	41%	8 908
	439 724	-	-	439 724	423 873		367 090
Total	439 724	-	-	439 724	423 873		367 090

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

### ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Injury on duty	-	-	-	-	-		408
Leave gratuity	583	-	1 673	2 256	3 076	136%	2 644
Bursary Non-Employees	293	-	-	293	279	95%	1 785
	<b>876</b>	<b>-</b>	<b>1 673</b>	<b>2 549</b>	<b>3 355</b>		<b>4 837</b>
<b>Total</b>	<b>876</b>		<b>1 673</b>	<b>2 549</b>	<b>3 355</b>		<b>4 837</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

### ANNEXURE 1H STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/15	2013/14
		R'000	R'000
<b>Received in kind</b>			
WHBO	Domestic furniture		11
Vhangani Victor Ramaano	Domestic furniture		1
UNODC	Motor vehicle		312
National Social Development	Office Equipments		55
Save the children	Computer hardware		22
Manyeleti youth academy	Office equipment		387
Azwinnadini Nemugumoni	Tread mill machine	2	
<b>Subtotal</b>		<b>2</b>	<b>788</b>
<b>TOTAL</b>		<b>2</b>	<b>788</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1I STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash HWSETA			14 669	14 438	231
Subtotal			14 669	14 438	231
TOTAL			14 669	14 438	231

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2015

**ANNEXURE 1K  
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT**

Grant Type	Apr 2014 R'000	May 2014 R'000	Jun 2014 R'000	Jul 2014 R'000	Aug 2014 R'000	Sept 2014 R'000	Oct 2014 R'000	Nov 2014 R'000	Dec 2014 R'000	Jan 2015 R'000	Feb 2015 R'000	Mar 2015 R'000	Total R'000
Other	-	400	10 432	66 930	27 215	75 968	20 230	60 100	17 895	11 852	7 252	125 599	423 873
	-	400	10 432	66 930	27 215	75 968	20 230	60 100	17 895	11 852	7 252	125 599	423 873

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing Standard bank FNB ABSA NP development cor (LIMDEV)			169 50 111 189		100		69 50 111 297		
<b>Subtotal</b>			<b>519</b>	<b>156</b>	<b>148</b>		<b>527</b>		
<b>TOTAL</b>			<b>519</b>	<b>156</b>	<b>148</b>		<b>527</b>		

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015**

Nature of Liability	Opening Balance 1 April 2014 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled during the year R'000	Liabilities recoverable (Provide details hereunder ) R'000	Closing Balance 31 March 2015 R'000
<b>Claims against the department</b>					
Allegations that the department published defamatory statements about the plaintiff in several newspapers	45 000	-	-	-	45 000
Allegations that the department published defamatory statements about the plaintiff in several newspapers (Mphahlele and Mbambo)	100	-	-	-	100
The plaintiff ( Mashau Mabotse) alleges that he was called a thief by a social worker at Mashamba clinic	1 000	-	-	-	1 000
Muthaphuli Lydia ( ABSA Ins) vs MEC for motor vehicle accident	7	-	-	-	7
Munkond trading alleged that SCM failed to effect payment after service has been rendered	3	-	-	-	3
Rasemate Johannes Nkoana vs MEC for motor vehicle accident	99	-	-	-	99
Sefala MF MVA: employee was involved in an accident and the third party car was damaged	97	-	97	-	-
MVA: employee Makaleng NS collided with complainant car and caused damages	42	-	-	-	42
MVA: employee Ms Ledwaba B was involved in an accident and caused a damage to claimant's car	23	-	-	-	23
MVA: employee Hongwane SC (deceased) allegedly caused damages to the claimant's car	136	-	136	-	-
Malicious prosecution: it is alleged that the employee stole departmental items (computer)	315	-	-	-	315
MVA: our employee one Mboweni AB was involved in an accident with a car belonging to the claimant	6	-	-	-	6
MVA: our employee one Nemajilili was involved in an accident and damage was caused to the other car	10	-	-	-	10

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

MVA: Our driver one Khashane Teleni collided with the car belonging to the claimant	52	-	-	52
MVA: Our driver one Shiko JR insured by SA underwriter collided with the car belonging to the claimant	11	-	-	11
MVA: Mohoto collided with Lubisi and damages to the value of R5 060	5	-	-	5
MVA: Our driver one while driving GG car collided with vehicle belonging to the claimant(Mashigo L)	57	-	-	57
MVA: Our driver one while driving GG car collided with vehicle belonging to the claimant(Makwasena RT)	9	-	9	-
Breach of contract: Failure to pay on time and cause the company to suffer financial loss	181	-	-	181
MVA: Our driver one while driving GG car collided with vehicle belonging to the claimant(Miway OBO Mohlaken)	12	-	-	12
MVA: employee involved in an accident and the other car was damaged (Sefoka Eric/Phaswane Maputle)	31	-	31	-
MVA: Employee involved in an accident and the other car was damaged (Nengwekhulu)	27	-	-	27
MVA: Employee (Masithulela) collided with the car of Mr Mutsila thereby alleged causing damages to his car. The officer was on duty at the time of the accident	-	39	-	39
MVA: Macheke K.E, a social worker at Waterberg collided with a motor vehicle belonging to David Mulaudzi thereby causing damages	-	30	-	30
<b>Subtotal</b>	<b>47 223</b>	<b>69</b>	<b>273</b>	<b>47 019</b>

### Other

Dispute by employees for payment of performance bonuses

8 189 8 189

<b>Subtotal</b>	<b>8 189</b>	<b>-</b>	<b>-</b>	<b>8 189</b>
<b>TOTAL</b>	<b>55 412</b>	<b>69</b>	<b>273</b>	<b>55 208</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

### ANNEXURE 4 CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15	
	31/03/2015		31/03/2015		31/03/2015		Receipt date up to six (6) working days after year end	
	R'000	R'000	R'000	R'000	R'000	R'000	Amount	R'000
<b>Department</b>								
National department of Justice	23	-	2	23	25	23		
Gauteng department of Health	44	-	-	62	44	62		
Limpopo department of Health	-	-	22	-	22	-		
Mpumalanga department of Social Development	-	-	69	-	69	-		
Limpopo department of Education	-	32	-	-	-	32		
Free State Social Development	46	-	-	46	46	46		
Mpumalanga department of Health	-	-	43	67	43	67		
National department of Labour	39	-	-	39	39	39		
Gauteng department of Social Development	-	-	34	-	34	-		
Gauteng department of Education	-	-	1	-	1	-		
Limpopo department of Economic Development	-	-	36	-	36	-		
Limpopo department of Agriculture	-	-	26	-	26	-		

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

National department of Correctional Services	-	-	1	-	1	-
Northwest department of social development	-	-	14	-	14	-
	<b>152</b>	<b>32</b>	<b>248</b>	<b>237</b>	<b>400</b>	<b>269</b>
<b>TOTAL</b>	<b>152</b>	<b>32</b>	<b>248</b>	<b>237</b>	<b>400</b>	<b>269</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2015

**ANNEXURE 5  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2013/14	
	31/03/2015		31/03/2014		31/03/2015		31/03/2014	
	R'000	R'000	R'000	R'000	R'000	R'000	Payment date up to six (6) working days before year end	Amount R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Limpopo department of Health	25	68	-	-	25	68		
Limpopo department of Education	-	-	94	94	94	94		
Limpopo department Local Government and Housing	-	25	-	21	-	46		
Northwest department of Social Development	-	-	34	34	34	34		
Mpumalanga department of Health	-	-	51	10	51	10		
Mpumalanga department of Social Development	-	-	64	32	64	32		
Limpopo department of Economic Development	-	-	-	9	-	9		
Gauteng department of Social Development	39	-	-	-	39	-		
<b>Subtotal</b>	<b>64</b>	<b>93</b>	<b>243</b>	<b>200</b>	<b>307</b>	<b>293</b>		
<b>Total</b>	<b>64</b>	<b>93</b>	<b>243</b>	<b>200</b>	<b>307</b>	<b>293</b>		

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2015

**ANNEXURE 6  
INVENTORIES**

Inventory	Note	Quantity	2014/15 R'000	Quantity	2013/14 R'000
Opening balance		5 705	416	4 220	1 870
Add/(Less): Adjustments to prior year balance					
Add: Additions/Purchases – Cash		223 406	9 271	99 951	5 996
Add: Additions - Non-cash					
(Less): Disposals		(228 397)	(9 601)	(96 172)	(5 683)
(Less): Issues				(2 294)	(1 767)
Add/(Less): Adjustments					
<b>Closing balance</b>		<b>714</b>	<b>86</b>	<b>5 705</b>	<b>416</b>

*Include discussion where deemed relevant*

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>216 204</b>	<b>20 529</b>	<b>(4 541)</b>	<b>232 192</b>
Non-residential buildings	216 204	20 529	(4 541)	232 192
<b>TOTAL</b>	<b>216 204</b>	<b>20 529</b>	<b>(4 541)</b>	<b>232 192</b>

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance	Prior period error	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>279 000</b>	<b>(22 945)</b>	<b>18 176</b>	<b>(58 027)</b>	<b>216 204</b>
Dwellings					
Non-residential buildings	279 000	(22 945)	18 176	(58 027)	216 204
Other fixed structures					
<b>TOTAL</b>	<b>279 000</b>	<b>(22 945)</b>	<b>18 176</b>	<b>(58 027)</b>	<b>216 204</b>

**ANNEXURE 8A**  
**INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PUBLIC ENTITIES</b>						
Independent Development Trust	13 191	23 127	-	-	13 191	23 127
National Development Agency	646	-	-	-	646	-
<b>Subtotal</b>	<b>13 837</b>	<b>23 127</b>	<b>-</b>	<b>-</b>	<b>13 837</b>	<b>23 127</b>
<b>OTHER ENTITIES</b>						
Non Profit Institutions	12 944	6 562			12 697	6 562
<b>Subtotal</b>	<b>12 944</b>	<b>6 562</b>			<b>12 944</b>	<b>6 562</b>
<b>Total</b>	<b>26 781</b>	<b>29 689</b>	<b>-</b>	<b>-</b>	<b>26 781</b>	<b>29 689</b>